
THESIS TITLE

The use of modern communication mediums for customer base expansion in the banking sector of Pakistan

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<p>Abstract</p> <p>This study was conducted primarily to investigate the possible existence of a prominent relationship between the usage of modern mediums in the marketing practices, by local banks in Pakistan and growth in their customer base. For the purpose of this study, a questionnaire was specifically designed to inquire from the test subjects, who in this case were customers of various banks, to inquire of whether the usage of modern mediums by banks in order to reach potential customers for marketing their products and services, is a better way to communicate with them? Further, I also conducted interviews of various marketing professionals associated with the local banking industry in order to analyze the success from their point of view. Following are the four major mediums, analyzed during this study: Tele Marketing, SMS Marketing, Internet Marketing and Mobile Banking. There is undoubtedly a positive relationship between increasing customer base and usage of modern mediums for marketing of products and services.</p> <p>I believe that local banks instead of just incorporating new ways of marketing should first realize the fact that a large portion of the population having bank accounts still lacks the awareness of these mediums. Banks should realize the fact that traditional mediums are more established and people have means for accessing them as well. As per my research study I concluded that SMS marketing is more favorable within the rest I choose. Similarly banks should conduct thorough research before incorporation of any modern medium.</p>			
<p>Keywords Tele-Marketing, Mobile Banking, Customer Interaction, SMS, Online Banking, Pakistan Bank System</p>			

TABLE OF CONTENTS

Contents

1	Introduction	1
1.1	Research Title	1
1.2	Literature Review.....	1
1.3	Research Approach.....	2
1.4	Data Collection Methods.....	2
1.5	Time Horizon	3
1.6	Ethical Considerations	4
1.7	Limitations	4
2	E-Marketing.....	6
2.1	Telemarketing.....	7
2.1.1	Case Study - High Tech Telemarketing Brings Record Breaking Sales to Hibernia	13
2.2	Internet Marketing.....	14
2.3	Mobile Marketing	18
2.3.1	Mobile Marketing via SMS.....	19
2.3.2	Case Study - Oman Arab Bank	20

2.4	Mobile Banking	21
3	Banking Sector of Pakistan	24
3.1	Introduction.....	24
3.2	Sampling Frame Analysis	24
3.2.1	Number of Branches	25
3.2.2	Total Bank Deposits	25
3.2.3	Total Profit for Last 2 Years.....	26
3.2.4	List in Stock Exchange and Share Value.....	26
4	Collection & Integration of Empirical Data	28
4.1	Introduction.....	28
4.2	Questionnaire Data.....	28
4.2.1	Questionnaire – Data Integration.....	28
4.3	Interview Data	32
4.3.1	Interview Highlights	32
5	Analysis of Empirical Data	34
5.1	Analysis of Questionnaire	34
5.2	Analysis of Interviews	36
5.3	Analysis of Case study (Hibernia Bank)	38

6	Conclusion.....	39
7	Recommendations	40
7.1	Awareness of modern mediums	40
7.2	Understanding marketing dynamics.....	40
7.3	Favorable Medium Research.....	40
	List of Abbreviations.....	41
	References	42
	Appendices
	Appendix 1....Questionnaire	
	Appendix 2....Interview Highlights	
	Appendix 3....Chart Showing Different Banks & DFI's Operation in Pakistan	

1 Introduction

1.1 Research Title

The basic aim of my research was the exploration of modern communication mediums available to the banking sector at present and their distinct characteristics that provide them an edge over their more commonly used conventional counterparts. The communication mediums that I have opted for comprise of Internet, phone, SMS, email and mobile banking. I am emphasizing the fact how these mediums help a Bank's overall marketing strategy and which medium contributes most to Bank's marketing initiatives. Further I will also investigate as to how these mediums make the marketing cycles of banks increasingly versatile and how effective a role do they play in the growth of their customer bases. As part of my research, I will target only the most commonly and locally available yet innovative and efficient mediums of communication to assess whether expansion of customer base is actually possible using only the contemporary means available to Pakistan banking industry. I will also restrict our scope of research to the local banking business environment.

My aim was also to establish understanding by reviewing how various global Banks are using such mediums to increase their customer base and how innovative these mediums are used to market the Bank's image. I will represent an analysis of how such Banks have progressed significantly by using these mediums effectively. Furthermore I also consulted a few books as to get more insight on the subject of study. The material that I studied was of great importance in a sense that it gave me thorough knowledge regarding the topics of study and secondly the knowledge gained enabled me to create a research questionnaire that basically is the building block of my research work.

As part of my research, I targeted Pakistan's top Banks to identify how efficiently a Bank uses these mediums to promote marketing schemes. For such details I met top marketing leads and heads to understand marketing through such mediums. I also identified what various professionals and students who hold a Bank Account have to say regarding such

marketing initiatives through these mediums and how well these mediums serve a common man. My aim was to gather data from both types i.e. professionals and students.

The Title of this Thesis is :

“The use of modern communication mediums for customer base expansion in the banking sector of Pakistan”.

1.2 Literature Review

In order to successfully conclude this project I reviewed literature from different sources, However, I was more focused on the material available online. I mainly focused on the articles written on the subjects of telemarketing, SMS marketing, Internet marketing and mobile marketing.

1.3 Research Approach

I adopted the inductive approach to conduct this research which is an approach of using observations to develop general principles about a specific subject and analysis of data and examination of practice problems within their own context rather than from a predetermined theoretical basis. The approach moves from the specific to the general. (Trochim, William M.K. 2006). There were several online articles and documents available that define the usage and benefits of new mediums in the successful realization of breakthrough marketing campaigns by organizations throughout the world. However, I was unable to find any literature that I could significantly use to aid us in my research project.

The main data collection method I adopted for the collection of primary data was a questionnaire and interviews from marketing executives and other relevant people of selected banks. This work actually gauges the success of usage of modern mediums in the local banking industry of Pakistan in terms of the growth of number of customers and their awareness regarding various banks offerings.

I adopted co-relational method which is descriptive and not based on experiments rather statistics and techniques are used for analyzing data and information.

The core research method for my study as my main purpose was to find out the relationship between the usage of modern mediums in the marketing practices by a bank and the increase in its customer base.

As co-relational method is used to determine the relationship between different variables, it was the most feasible method to adopt.

1.4 Data Collection Methods

The main data collection method I adopted, in case of the collection of primary data, was a questionnaire, which constituted of questions relating to all the main areas of the research work. Further, I interviewed employees of banks from their respective marketing departments.

In order to make this project more comprehensive I found relevant case studies of local/international banking industries that indicate/support growth in customer base due to the inclusion of new mediums as part of the marketing practices of the banks. Although it was very difficult for me to collect any comprehensive case study or any other sort of secondary data as my topic of study is quite unique, but still I was able to find some case studies, which are the part of the chapter 4.

I have selected the top 10 banks operating in Pakistan being the biggest and most profitable banks. The following selection criteria were used:

- SBP ratings (State Bank of Pakistan Ratings based on biggest and profitable banks)
- Listing in Stock exchanges and share values
- Number of branches
- Profits/losses during the last 2 years.

The questionnaire will give the quantitative part of data and by directly interviewing the marketing executives of banks selected in the sampling frame, I will be able to achieve the required qualitative data needed for the finalization of this report.

1.5 Time Horizon

The entire completion of the project took 16 weeks. Initially I started with project planning, and collection of literature on the subject of study. This activity took 5 weeks, approximately. Subsequently, I prepared a questionnaire based on my literature search. Following that, I started interviewing marketing executives and marketing related people within the industry. The collection of this primary data took a further 5-6 weeks. In the last 5 weeks I prepared and finalized my research report along with my Thesis presentation.

1.6 Ethical Considerations

I have tried to avoid plagiarism in all its forms. However, possibility of an unintentional similarity to any published or unpublished data, research paper or report of any kind cannot be ignored. Further, I have not copied any data without a proper reference and have not manipulated the collected data to reach any specific conclusions of our own.

1.7 Limitations

I have detected following limitations:

Unavailability of Relevant Secondary Data

During the research study I failed to find any case study except of MCB that can correspond to my study of local banks in Pakistan. Therefore I had to switch to international case studies in order to support my work.

Time Constraint

The study that I have opted had a very vast subject matter as Marketing in general is a vast topic. Within the allotted time it was very difficult for me to analyze every minute detail.

Confidentiality of Banking Data

My subjected study revolved around the growth of customer base due to the usage of modern marketing mediums. I was unable to find data that can correspond to that. Moreover, none of the bank employees that I interviewed gave us the exact figures.

2 E-Marketing

Ecommerce (e-commerce) or electronic commerce, a subset of e-business, is the purchasing, selling, and exchanging of goods and services over computer networks (such as the Internet) through which transactions or terms of sale are performed electronically. Contrary to popular belief, ecommerce is not just on the Web. In fact, ecommerce was alive and well in business to business transactions before the Web back in the 70s via EDI (Electronic Data Interchange) through VANs (Value-Added Networks). Ecommerce can be broken into four main categories: B2B, B2C, C2B, and C2C.

B2B (Business-to-Business)

Companies doing business with each other such as manufacturers selling to distributors and wholesalers selling to retailers. Pricing is based on quantity of order and is often negotiable.

B2C (Business-to-Consumer)

Businesses selling to the general public typically through catalogs utilizing shopping cart software. By dollar volume, B2B takes the lead, however B2C is really what the average one has in mind with regards to ecommerce as a whole.

C2B (Consumer-to-Business)

A consumer posts his project with a set budget online and within hours companies review the consumer's requirements and bid on the project. The consumer reviews the bids and selects the company that will complete the project.

C2C (Consumer-to-Consumer)

There are many sites offering free classifieds advertisements, auctions, and forums where individuals can buy and sell thanks to online payment systems like PayPal where people can send and receive money online with ease. EBay's auction service is a great example of where person-to-person transactions have taken place every day since 1995.

Companies using internal networks to offer their employees products and services online--not necessarily online on the Web--are engaging in B2E (Business-to-Employee) ecommerce.

G2G (Government-to-Government), G2E (Government-to-Employee), G2B (Government-to-Business), B2G (Business-to-Government), G2C (Government-to-Citizen), C2G (Citizen-to-Government) are other forms of ecommerce that involve transactions with the government--from procurement to filing taxes to business registrations to renewing licenses. There are other categories of ecommerce out there, but they tend to be superfluous.

If you are planning to start a new online business or upgrade your existing e-Commerce site, you should consider using some of the innovative ideas related to Web 2.0 concept. A few years ago if you had searched the phrase "Web 2.0", you probably would not have found any mention of this term on the Internet. Now, at the last count, Google showed close to 60 million results relevant to this search. First time this term was coined by O'Reilly Media to vaguely define a concept of second generation websites which were emerging after the dot com crush. Since their first use of this phrase to promote conferences organized by O'Reilly Media and MediaLive International, the idea of Web 2.0 has become immensely popular in web development sector.

There is no exact definition of Web 2.0 available today. If you run a search for a definition of this phrase the only quotation you will receive is from Wikipedia, which says,"Web 2.0 is a term often applied to a perceived ongoing transition of the World Wide Web from a collection of websites to a full-fledged computing platform serving web applications to end users. Ultimately Web 2.0 services are expected to replace desktop computing applications for many purposes."

2.1 Telemarketing

Telemarketing is one of the more unique marketing medium that allows you to adjust your strategy midstream and make any changes at any time necessary to increase results. It

may be done from a company office, from a call center or from home. It may involve either a live operator or a recorded message, in which case it is known as "automated telemarketing" using voice broadcasting. With telemarketing you can instantly establish a conversation. It is much easier to get your message across when you engage in a dialogue and questions can be answered. Two-way communication using telemarketing is very powerful, and very productive (Telemarketing, n.d.)

Radio promotions and advertisements including billboards, newspaper and magazine ads or even direct mail demand slight or no interest at all. It can be forgotten once you have heard it, read it or seen it. They can all be disregarded and ignored but not telemarketing. Telemarketing acquires an immediate answer. This is the primary advantage of telemarketing. With this advantage, telemarketing establishes a conversation right away. Having two-way communication is very productive. It is easier for the client to get the message or understand the product and most important of it is that all questions can be answered promptly. It can even lead to a sale in an instant (Siriban, R. 2006). Several companies use telemarketing solutions to help expand their market and increase sales (Santos, A. 2006).

Some people believe that in the 1950s, Dial America Marketing, Inc became the first company completely dedicated to inbound and outbound telephone sales and services. The company, spun-off and sold by Time, Inc magazine in 1976, became the largest provider of telephone sales and services to magazine publishing companies.



FIGURE 1: Tele-Marketing (www.vebsite.com)

With telemarketing, you can change both your offer and audience with just one phone call. Telemarketing scripts can be edited with a moment's notice. And telemarketing-calling hours can be adjusted (Telemarketing, n.d.).

Telemarketing usually outperforms all other forms of marketing and is one of the most powerful, cost-effective marketing vehicles available today and it is a powerful, multi-billion dollar marketing vehicle (Telemarketing, n.d.).

Telemarketing can be used successfully in the banking industry. New freedom because of deregulation and strong competition will force banks to run their businesses differently. A direct response telemarketing program for banks is a must in order to remain competitive. Seafirst Banks' program is featured. The bank has a forty-six percent response rate from its telemarketing program. A strong training program was used to develop the in-house talent to run the marketing program. Cross-selling existing customers, reactivating old

customers, making appointments for a salesperson qualifying leads, market segmentation, opening new accounts, introducing new products and sales follow-up are among the goals of the telemarketing program (Carlson J, 1983).

Currently, about 15-20,000 young men and women are employed by direct sales agents of banks as telemarketing agents and field sales personnel. The agents bring convenience, comfort and speed in today's fast-paced life of the customers by offering door-to-door services. The customer gets personalized services and the service providers are able to offer this service only because of the efficiency that the agents bring to the delivery channel. This is evidenced from the fact that 40 to 50 per cent of cards and up to 25 per cent of retail loans are sold through telemarketing, which translates into at least 300,000 cards a month. Pro-active sales initiatives by banks have improved consumer awareness and knowledge of products exponentially over the past five years. This has benefited consumers by way of lower annual fees, lower rates of interest on retail loans, improved service, and so on. Telemarketing enables banks to significantly reduce sales-related expenditure that is being passed on to the consumers, which may not be possible under a direct sales approach. As a measure of cost dynamics, Tele-sales are at least 40 to 50 per cent more economical than other sales options. The advent of mobile technology has further enabled the banks widen the net of "anywhere banking". What is, however, needed is an urgent need on the part of the banks to put in place a self-regulatory mechanism that is designed to protect customer privacy (Should Telemarketing be banned, 2005).

Telemarketing is classified into two; inbound and outbound telemarketing. Inbound telemarketing is any incoming sales or service from viewers and listeners who want to order the advertised product or ask for more information. Some inbound applications are order taking, customer service, help desk and many more. An outbound telemarketing on the other hand, is the practice of making phone calls to prospects or existing customers by a marketing person. Some outbound telemarketing applications include phone sales, appointment setting, lead generation and many more (Siriban, R. 2006).

Inbound telemarketing is perfect for order taking, customer service, any type of answering service, after hours/overflow calls, taking credit card orders, voice mail service, dealer locator service, seminar registration, reservation desk, inquiry service, and direct

immediate response to print ads and virtually any form of advertisement (Telemarketing Services, n.d). An inbound telemarketing firm provides an instant call centre with the entire infrastructure that is needed including the people, the equipment and the phone lines. These inbound marketing firms can provide inbound campaigns where the telemarketers handle incoming calls. Finding the right firm requires careful selection by the company. The company entrusted with the work must have the relevant experience to handle the queries regarding the product successfully. Most likely there will be some inbound telemarketing firm that has worked with at least one client in the same or related industry and that had similar campaign objectives (Sakina A, 2004).



FIGURE 2: Tele-Marketing (www.vebsite.com)

Setting up and establishing an in-house telemarketing program is complex, but it can be done if there is careful planning and sufficient telemarketing experience by the planners. A good manager is essential and must be carefully chosen. The in-house program must be planned, tested and properly implemented. The four most important areas of planning are staffing, employee compensation, employee training and selection of the telephone system (Carlson J, 1983).

Outbound telemarketing is a system or technique used in marketing wherein sales personnel known as telemarketing agents solicit possible customers to purchase a service or product being offered. This sales method may be conducted through several methods which include phone calls and succeeding meetings, or as of recently, web conference appointments scheduled during the phone call (Santos, A. 2006). Outbound Telemarketing has been around for a long time, but in the recent years it has been creating a large buzz around itself. India especially has suddenly become a hub for these jobs. Apart from the local products, large amount of outsourcing has been happening for international products (Sakina A, 2004).

Outbound telemarketing is a great solution to a company's telemarketing needs as these call centers specialize in telemarketing solutions. These outsourcing companies are fully aware of which scripts can generate a more positive response from probable clients, have fully trained outbound telemarketing agents, and can modify a telemarketing program to custom-fit a company's needs (Santos, A. 2006). Some popular outbound telemarketing applications include appointment setting, lead generation, surveys, market research, list cleaning, database update, seminar registration, fund raising, phone sales, and client reactivation just to name a few (Telemarketing, n.d).

With its availability and commitment, telemarketing provides client with direct response and essential information that can be promptly scrutinized. Telemarketing is definitely flexible, definitely practical because it provides you with never-ending opportunities and possibilities to increase and enhance your business. Having these advantages proves that telemarketing is truly an ultimate marketing instrument (Siriban, R. 2006).

2.1.1 Case Study - High Tech Telemarketing Bring Record Breaking Sales to Hibernia

The case study provides an insight of how Hibernia bank introduced an innovative telemarketing initiative by developing its telemarketing services and inducting state of the art Call Centre solution. The idea behind this initiative is to increase customer base and satisfy higher number of entrants by using appropriate and well planned marketing strategies. Hibernia bank is one of US top five banks that recommend that customers must be able to transact and apply loans, deposits etc in the best of convenience. The main idea behind this case study was how Hibernia Bank's 201 branches are using Tele-banking to satisfy more customers.

Hibernia and many banks offer customers 24-hour access to their accounts and to bank services via automated inbound call centers. For example, bank customers can call in to check account balances or transfer money from one account to another. More than 30 trained Tele-Bankers on 78 phone lines are following Hibernia's customized eight-step sales process. This process, coupled with sophisticated inbound, outbound and blended call centre technology, is producing results far exceeding original projections.

Hibernia revenue building process depends on the following initiatives and methods:

Potential and existing customers are explicitly defined by a process from database for outbound telemarketing campaign.

All customer relationships and patterns are easily viewed and accessed.

Dialer system records all calls and manipulates calls as defined by customer

Inbound calls ready to take calls from customers and prospects responding to billboard. Newspaper, radio and other media advertising. The call centre receives more than 3,000 inbound calls weekly.

Maximum productivity for keeping both inbound and outbound calls under utilization

Hibernia's Tele-Banking call centre systems maintain critical/prospect information at all times providing a better tapping on customers. Tele-Bankers are highly trained and excellent sales professionals. They add to improve customer service by offering value added services. Telemarketing for Hibernia allows few branch buildings initiatives. Hibernia is more highly focused toward investment revenue in marketing schemes.

Hibernia added Tele-Bankers skills, trainings, security licenses etc. Without building new branches, Hibernia is building its revenue and securing its position as an innovator and leader in the banking industry (Beard, S.1997).

2.1.2 CASE STUDY FINDINGS

The major findings for case study are based on following important points:

- Telemarketing allows appropriate customer interaction providing a medium to deliver banking marketing initiatives and campaigns in the most cost effective manner.
- Telemarketing allows a competitive advantage over the competition whereby banks provide product and service knowledge in a unique way.
- Telemarketing allows more customer base and increasing revenue
- Telemarketing focuses explicitly on how to tap a bank's existing and prospect customers and provide tailored information
- Telemarketing allows savings over building branches and allows bank to market products using call centre solutions centric for all branches

2.2 Internet Marketing

E-Marketing or electronic marketing refers to the application of marketing principles and techniques via electronic media and more specifically the Internet. The terms E-Marketing, Internet marketing and online marketing, are frequently interchanged, and can often be considered synonymous. It is the process of marketing a brand using the Internet. It includes both direct response marketing and indirect marketing elements and uses a range of technologies to help connect businesses to their customers. Advantage when implemented correctly, the return on investment (ROI) from it can far exceed that of traditional marketing strategies. E-Marketing efforts can become very complex and may require a high level of focus, concentration and analysis to reach the best decisions.

There is now over a billion Internet users worldwide, representing one large global consumer base or marketplace. The total amount of goods sold online has been steadily increasing each year as the Internet gains in both popularity and familiarity. Studies have shown people shop online because of lower prices, a wider selection of products, easier comparison and many just prefer to have travel to stores to make a purchase (Titus Housekins, 2006). According to 3rd Quarter data in 2006, over 14% of all online traffic for business and financial needs, yet less than 20% of financial institutions around the world use any bank online marketing techniques in their overall strategy. With so much online traffic seeking financial information and so little competition, online marketing can be extremely beneficial to those institutions that are willing to make the jump online. This jump is much more than having a small local company building your website (How financial institutions can benefit from online marketing, 2009).

Through internet, consumers can interact with the seller's site to find the information, products, or services they desire, then order or download them on the spot. Companies can interact with customers to learn more about their needs and to build customer databases, while avoiding the expense of maintaining a physical store, costs of rent, insurance, and utilities. The Internet is a global medium, which allows buyers and sellers to click from one country to another in seconds (Kotler, P. & Armstrong, G. 1998).

Exploring strategies and different techniques which can be used on the internet providing enhance support for business's achieve overall marketing targets and learning how to conduct banner promotions, generate targeted online traffic, positioning of your content, and overall brand awareness (Internet Marketing Strategy, 2009).



Search Engine Marketing or SEM is a branch of internet marketing which is very effective due to its behavioral marketing nature. It's the process of running your ads against all those queries made by your potential customers through search engines. Organizations spend thousands of dollars on traditional marketing campaigns, but the sad fact is that most of the times customers just neglect and skip those ads. Search engine marketing provides this great opportunity to only spend your money, when customer is looking for your product or services (Search Engine Marketing, 2007).

Nowadays Banks have also opted for Online Marketing procedures to advertise their services to their customers and the general public. The most common online marketing Trends for Banks is by the use of number of activities which connects the banks to its consumers. This is done through evaluation and information gathering.

This has allowed banks to improve their business through the information gathered about their consumers and competitors and helps them track their overall performance by designing websites and placing them over search engine in internet. However since banks are subject to stringent regulations controlled by the government and the management it makes it a little difficult to use internet with freedom like the private financial institutes (Most common online marketing trends for banks, 2005).



FIGURE 3: Ways of Online Marketing (www.vebsite.com)

Four Ways to Conduct Online Marketing:

Creating an Electronic Storefront— companies can buy space on a commercial online service or it can open its own Web site. These sites are designed to engage consumers in an interaction that will move them closer to a purchase or other marketing outcome.

Placing Ads Online— companies can place online ads in three ways:

- Classified ads in special sections of major commercial online services

- Ads in certain Internet newsgroups set up for commercial purposes

- Buying online ads that pop up while people are surfing on the web. Such ads include banner ads, pop-up windows, "tickers" (banners moving across screen), and "road-blocks" (full-screen ads that users must go through to get to other screens they wish to view)

Participating in Internet Forums, Newsgroups, or Web Communities— companies may participate in or sponsor Internet forums, newsgroups, and bulletin boards that appeal to specific special interest groups.

Use Online E-mail or Webcasting— companies can send out customer newsletters, special product or promotion offers based on customer buying histories. Webcasting or "push" programming delivers information of interest to consumers' desktops (Kottler, P. & Armstrong, G. 1998).

2.3 Mobile Marketing

In today's dynamic and fast-evolving world, being in touch with your customers at any time anywhere is no longer a dream. By adding SMS Marketing to your marketing mix, the effectiveness of your message with new and existing customers will soar to new levels. Cell phone marketing is definitely the most personal and effective method of direct marketing. Its potential is just now being fully realized. Be many steps ahead of others by adopting it in your overall marketing strategy. This method of targeted marketing has been proven to yield great results! (SMS Marketing, 2002).



FIGURE 3: Mobile Marketing
(www.vebsite.com)

2.3.1 Mobile Marketing via SMS

As wireless text messaging “Short Messaging Services” (SMS) has grown into a mainstream communication tool for consumers, reaching them via SMS marketing has become an increasingly important strategy for businesses. Whether between two people planning to meet up or a broadcast message to thousands of users, more and more customers are becoming converts every day, and savvy marketers realize text messaging is a great way to quickly communicate with their audience (SMS Marketing, 2002). Mobile Commerce, also known as M-Commerce, is the ability to conduct commerce using a mobile device. It is any transaction, involving the transfer of ownership or rights to use goods and services, which is initiated and/or completed by using mobile access to computer-mediated networks with the help of an electronic device (Turban, 2006).



FIGURE 4: SMS Broadcasting (www.vebsite.com)

2.3.2 Case Study - Oman Arab Bank

Oman Arab Bank is a leading bank in Oman, partly owned by Arab Bank PLC. It has achieved significant efficiencies in customer service and the opening of new revenue streams from SMS-based mobile banking. Oman Arab Bank implemented BANKSMART from Acette Technologies, which is powered by Derdack's message master xsp (Service Centric Mobile Messaging Platform)

The bank's new 'Tawasul' SMS-based mobile banking service is a key tool for customer acquisition and retention, and increasing market share in Oman.

"We are committed to offering superior services to the Omani market. Our use of BANKSMART and the SMS platform provided by message master xsp has enabled the bank to develop a competitive advantage in terms of services that we offer our customers," says Hassan Abdul Ali Al-Lawati, the bank's Deputy General Manager and IT-Head. (<http://www.mobilemarketingmagazine.co.uk/2009/02/improving-customer-service-via-mobile-banking-.html>)

Oman Arab Bank has differentiated itself from competitors in its use of SMS as a key enabler of banking and payment services. It says it is the only bank in Oman that offers a range of options that can be accessed using SMS. An additional differentiator is that it can offer these service capabilities with a choice of Arabic or English language messages.

The customer response to the bank's SMS banking service has been extremely positive. A key requirement for the service is security and reliability. Oman Arab Bank has devised a unique strategy for using BANKSMART and message master xsp to validate customer SMS requests using secure authentication tokens. This ensures that only genuine transactions are processed, and enhances the overall security of the service.

Another service that Oman Arab Bank offers is bill payment via SMS. The bank has generated additional revenue streams through transactions and collections for third parties such as mobile operators and utility companies. When a customer pays a bill using the mobile banking channel, Oman Arab Bank retains a fee for this service that is recovered

from the recipient of the payment. With smartcards and top-ups growing at a rapid rate, this has proved to be a popular and increasingly valuable service for the bank. The ability to offer these services in Arabic has allowed a much wider usage amongst the largely Arabic-speaking population in Oman.

Oman Arab Bank has also simplified the process of transferring mobile prepaid credits. Top-up credit can be purchased through a retailer, who can then securely transfer the credit, in real-time directly to the customer via SMS.

"Oman Arab Bank has shown what can be achieved by combining expert local knowledge, an innovative vision of how to exploit the SMS channel and the latest technology for mobile banking, to achieve revenue and customer growth," says Derdack Managing Director, Matthes Derdack (Improving customer service via mobile banking, 2009).

2.4 Mobile banking

Today we are not only using the mobile phone to communicate with others in the form of voice or SMS, we are using it to connect to the world. Today's mobile phone is no less than yesterday's personal computer.

Indeed, computers revolutionized banking in the last decade or so, eliminating to some extent the need for branch visits. Unlike developed economies, the penetration of computers and the use of internet in Pakistan had take-up and user experience limitations. Therefore internet banking in Pakistan was not able to achieve desirable growth in the early years. However, when in comparison, we evaluate mobile phone penetration, it is far more in numbers and reach.

With millions of mobile users and still growing, it is only natural that the banking sector will now begin to channel transactional and payment needs through the mobile device including utility & other bill payments and the freedom to transfer fund instantly.

Making payments using the mobile phone is easier said than done and certainly not quite as simple as it sounds. A lot of professional expertise and hard work is needed to design

an integrated & reliable mobile payments system that conforms to the dynamics of all stakeholders: customers, financial institutions and telecom regulators.

Pakistan is a country with a very high percentage of people without access to basic financial services like a bank account. We are still a predominantly cash led economy. One of the key objectives of the State Bank is to work towards financial inclusion of masses and consequently to improve the lifestyle of those who are still outside the realm of financial services. To this effect the State Bank has authored guidelines for both mobile and branchless banking that are proving instrumental in steering the banks and other stakeholders in the desired direction.

Currently there is fierce competition between Telco's and banks; all are trying to maximize their share of the said opportunity. Resultantly a number of mobile banking solutions have emerged. All such solutions are unique. Some have been launched by the banks and some by the Telco's. Some are extension of the online internet banking services and some are stand alone mobile banking platforms (MCB Mobile, 2009).

2.4.1 MCB Case Study – Launch of Million of Branches

Let's talk about the road that I decided to travel at MCB. Recently there was a launch of a mobile payments service by the name of MCB Mobile. It is an Internet based service that runs on your mobile phone's browser. You can link your MCB account with your phone number and that's all you need to use the service. The basic set of services provided by the solution are checking account balance, reviewing the bank statements, transferring funds, purchasing mobile top ups, payment of mobile phone and utilities bills etc.

This has been a roaring success with over 11,000 customers registered and thousands of transactions amounting close to one million dollars under our belt already.

With this not only have we started the race well but have created a leadership advantage for ourselves in this space. Our challenge now is to grow faster than anyone else in our category and continuously innovate by introducing new payment types and functionality. It is our intent to use our advantage in the mobile commerce space to create segmented

financial products and services in order to reach out to new and previously untapped markets.

It has taken over 60 years for the banking industry to get approx 30 million bank accounts. It took Telco's less than 10 years to reach 90 million customers. Yes you've guessed it right. Bringing the next 30 million people into the formal economy by opening a bank account can now easily be achieved in the next 5 years (MCB Mobile, 2009).

3 Banking Sector of Pakistan

3.1 Introduction

The Financial institutions in Pakistan comprise of Commercial banks, Development and Financial institutions (DFI), Non-banking Finance Companies (NBFCs) (leasing companies, Investment Banks, Discount Houses, Housing Finance Companies, Venture Capital Companies, Mutual Funds), Stock Exchange and Insurance Companies.

Currently there are 41 scheduled banks, 6 DFIs, and 2 MFBs operating in Pakistan whose activities are regulated and supervised by State Bank of Pakistan, SBP. The commercial banks comprise of 3 nationalized banks, 3 privatized banks, 15 private sector banks, 14 foreign banks, 2 provincial scheduled banks, and 4 specialized banks.

According to the new laws, the foreign banks interested to operate in Pakistan must operate like a domestic bank. This has been done to protect the local Banking Industry. Moreover, branches of foreign banks can be converted into local commercial bank by a law (Banking Sector Supervision, 2004)

3.2 Sampling Frame Analysis

I have identified top 10 banks according to the following factors:

- Number of Branches – Overall Banking network in Pakistan
- Total Bank deposits – Amount of Deposits as per latest findings
- Total Profits for the last 2 years
- Listing in Stock Exchange and Share Value

3.2.1 Number of Branches

I have identified top 10 banks as per State bank latest survey report. This networking of branches is based across Pakistan. Following is the list of top 10 banks.

TABLE 1: List of top 10 Banks

Bank	Branches
Habib Bank	1,450.00
National Bank	1,245.00
MCB	1,025.00
United Bank Limited	1,082.00
Allied Bank	760
Zarai Taraqati Bank Ltd. (ZTBL)	345
Bank of Punjab	273
NIB	241
Bank Alfalah Limited	223
Bank Al Habib	202

3.2.2 Total Bank Deposits

As per SBP Quarterly Performance Review for Banking System June 2010, I identified the following list of top ten banks as per 'Total Deposits'.

TABLE 2: List of top 10 Banks as per Total Deposits

Bank	Deposits in Millions
National Bank	692,721.00
Habib Bank	621,050.00
United Bank Limited	508,707.00
MCB	361,835.00
Allied Bank	312777
Bank Alfalah Limited	295603
Bank of Punjab	194236
Standard Chartered bank	189947
Askari Bank Limited	180658
Bank Al Habib	171670

3.2.3 Total Profit for last 2 years

In order to comprehend the total profit for all local Banks and rate the top ten banks, I surveyed the Financial Reports of all Banks for the year 2009 and 2010. Following are the top ten banks. Also, I calculated the Average of the two profits for a clear holistic picture.

TABLE 3: Survey & Average of Financial Reports 2009/2010

Rank#	Name of Bank	Profits (2010)	Profits (2009)	Average Pre tax Profit of Year 2009 & 2010
1	NBP	28,061,000,000.00	23,001,000,000.00	25531000000
2	HBL	22,034,379,000.00	15,144,617,000.00	18589498000
3	MCB	21,886,740,000.00	22,526,311,000.00	22206525500
4	UBL	13,874,424,000.00	13,004,974,000.00	13439699000
5	ABL	6,121,000,000.00	5,953,000,000.00	6037000000
6	HMB	4,743,292,000.00	4,204,380,000.00	4473836000
7	Bank AL-HABIB	3,533,387,000.00	3,052,227,000.00	3292807000
8	Faysal Bank	1,797,000,000.00	2,689,000,000.00	2243000000
9	Bank Alfalah	1,794,720,000.00	4,535,552,000.00	3165136000
10	SCB	1,092,000,000.00	4,091,000,000.00	2591500000

3.2.4 List in Stock Exchange and Share Value

In order to recognize Pakistan's top ten Banks as per listing in Karachi Stock Exchange, I identified the following ten banks.

TABLE 4: Figures from Annual Reports of respective Banks

Rank#	Name of Bank	Listing in Stock Exchanges on Share values (Rs.)
1	MCB Bank Limited	212.47
2	HBL Limited	125.85
3	National Bank of Pakistan	81.13
4	United Bank Limited	58.17
5	Allied Bank Limited	55.87
6	Bank Al-Habib Limited	32.00
7	Habib Metropolitan	31.88

	Bank	
8	Askari Bank Limited	26.53
9	Royal Bank Limited	19.05
10	Bank of Punjab	15.35

4 Collection and Integration of Empirical Data

4.1 Introduction

In order to successfully complete this project I heavily relied upon the developed questionnaire and interviews. From the self-developed questionnaire I acquired quantitative data while from the interviews I acquired qualitative data. In case of secondary data I experienced difficulty, as I was unable to find quality work. However I was still able to extract one case study, which was relevant to my work.

4.2 Questionnaire Data

My developed questionnaire was divided into four main parts, consisting of questions related to SMS marketing, telemarketing, internet marketing and mobile marketing.

4.2.1 Questionnaire – Data Integration

The following graph represents the percentage of people that prefer/not prefer SMS as the source of receiving marketing information from banks. 78% of the test subjects feel that SMS is the most convenient way of receiving marketing information from banks while 22% of the test subjects do not prefer SMS to be the leading source of promotional activities.

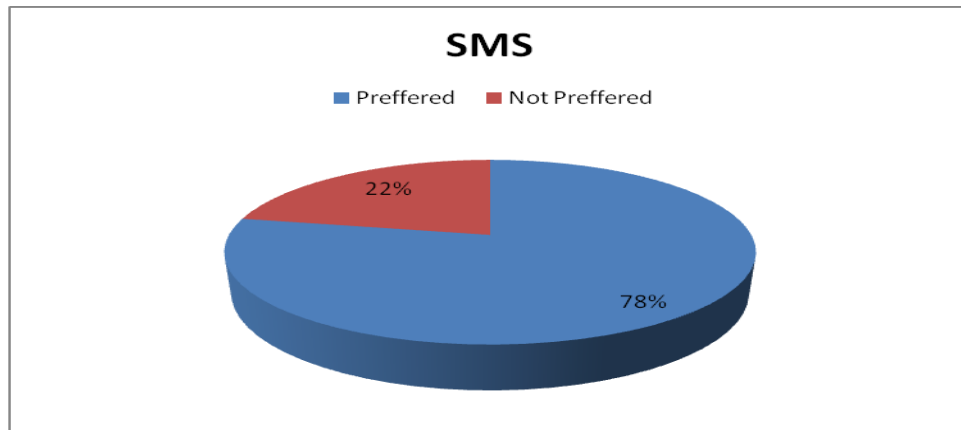


FIGURE 3: Representation of SMS survey result

The following graph represents the percentage of test subjects that preferred or did not prefer telemarketing to be the source of receiving information from banks. Telemarketing is the preferred medium for only 13% of the people while the rest of 87% of test subjects did not prefer it.

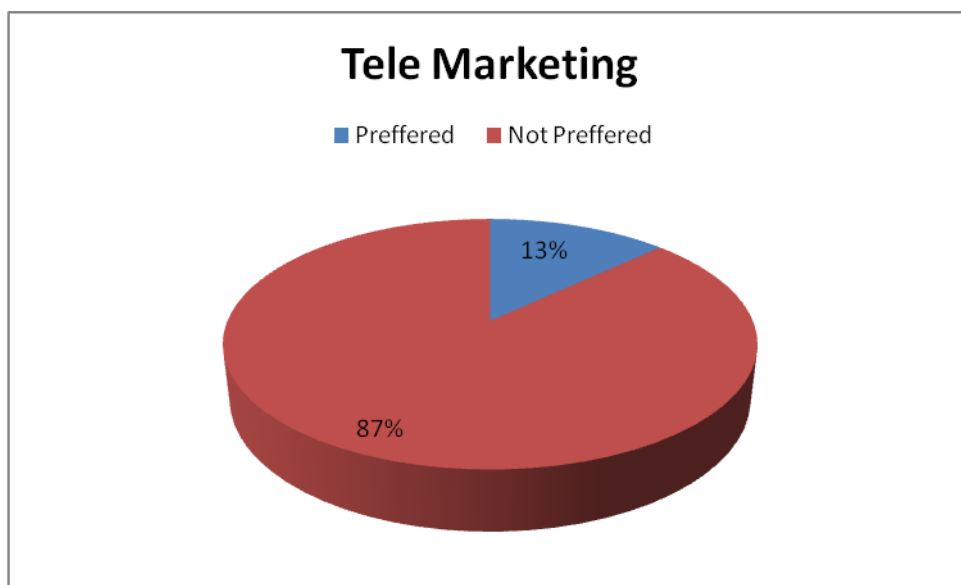


FIGURE 4: Representation of Tele-Marketing survey result

The following graph represents the percentage of people that prefer/not prefer email as the source of receiving marketing information from banks. 57% of the test subjects feel that email is the most convenient way of receiving marketing information from banks while 43% of the test subjects do not prefer email to be the leading source of promotional activities.

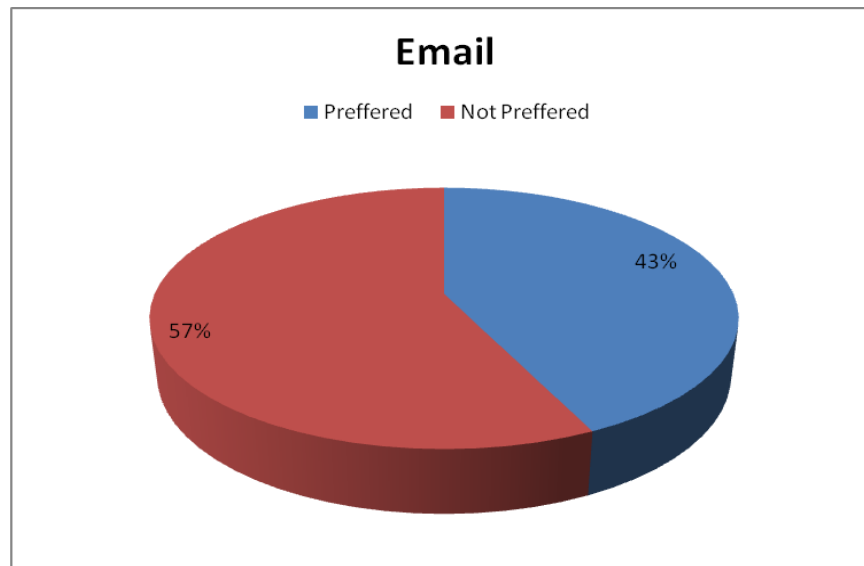


FIGURE 5: Representation of Email survey result

The following graph represents the percentage of test subjects that preferred or did not prefer mobile to be the source of receiving information from banks. Mobile is the preferred medium for 94% of the people while the rest of 6% of test subjects did not prefer it.

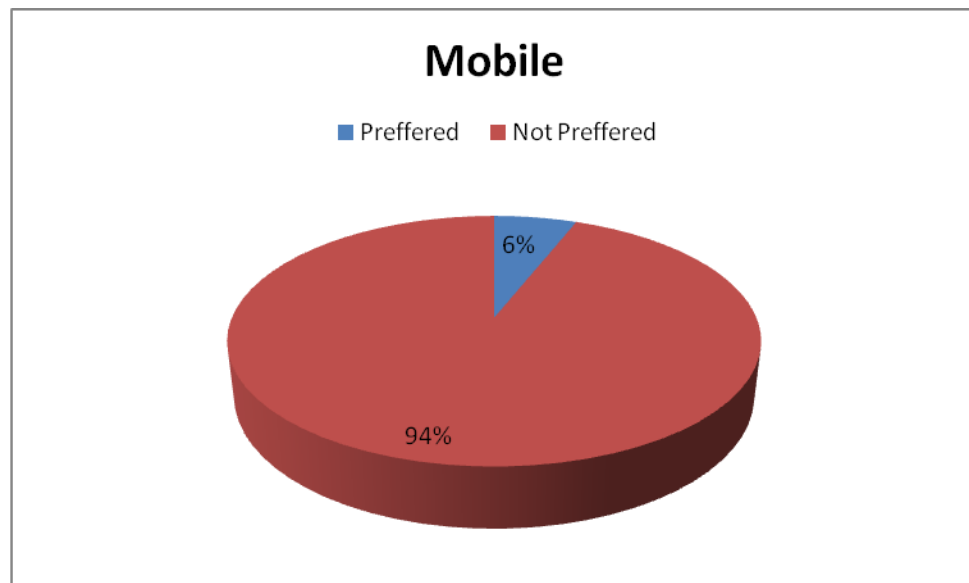


FIGURE 6: Representation of Mobile survey result

Below is the graphical description of people that prefer/ do not prefer web to be the source of receiving information from banks. Web is the preferred medium for 73% of the people while the remaining 27% of test subjects did not prefer it.

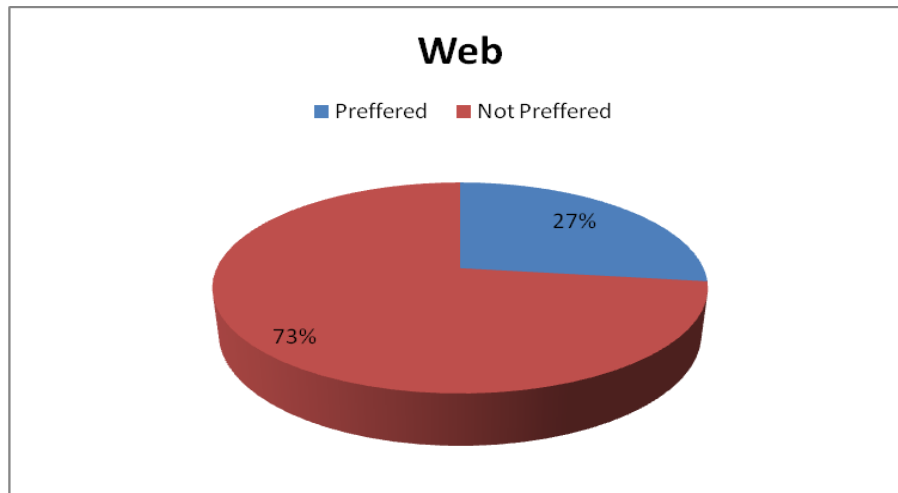


FIGURE 7: Representation of Web survey result

4.3 Interview Data

To gain an insight of the current marketing practices adopted by the local banking industry of Pakistan, I opted to conduct interviews with the persons related to marketing departments of different banks.

These interviews gave me insight on the current marketing practices and the usage of modern mediums by those banks.

4.3.1 Interview Highlights

First Interview - Ahsan Iftikhar – Assistant Manager Marketing KASB

Interview Held on:	13/12/2010
Interview Held at:	KASB – Trade Center 10 th Floor, Karachi, Pakistan
Agenda:	The usage of modern marketing mediums by banks
Interviewee:	Ahsan Iftikhar – Assistant Manager Marketing KASB

Second Interview - Azra Munaf – Assistant Marketing Manager HSBC

Interview Held on: 20/12/2010

Interview Held at: Bharia Complex III, 8th Floor, Karachi, Pakistan

Agenda: The usage of modern marketing mediums by banks

Interviewee: Azra Munaf – Assistant Marketing Manager HSBC

Third Interview - Syed Irfan Abbas – AVP MCB

Interview Held on: 27/12/2010

Interview Held at: MCB Tower, Karachi, Pakistan

Agenda: The usage of modern marketing mediums by banks

Interviewee: Syed Irfan Abbas – AVP MCB

5 Analysis of Empirical data

5.1 Analysis of Questionnaire

The primary data collection method adopted by me was a questionnaire that was distributed amongst the people of different age groups and professions. The response received from the portion that referred to marketing through different websites suggest that people do not prefer internet as the leading source of acquiring information for the new products and services that the banks are offering.

- With reference to Q4 of my questionnaire, 'Do you use internet as your preferred medium for banking?' 27% of people holding bank accounts think that Internet banking is an easier way to bank rather than going to branch.
- However, when it comes to promotional activities, referring to my questionnaire 'Do new promotional online banners and links on a banks website attract your attention?', 73% of people think that they hardly or never pay attention to the banner ads, links or any such sort of online promotion by the banks.
- Email on the other hand is a more preferred medium as compared to marketing through other online mediums. Referring to my Q8 stating, "Do you receive promotional emails from Banks?" 43% percent of people suggested that they want to receive promotional emails from banks regarding their offerings. However the most interesting finding is that over 50% of the people do not even receive marketing emails from banks.
- The portion of the questionnaire that corresponds to SMS marketing (Preferred choice of medium) suggests that 78% of people prefer SMS to be the medium, used by banks for their promotion. This is because it is more convenient and easily accessible. A small percentage of only 22% people thought SMS to be their non-preferred medium of communication with the banks.
- Telemarketing has also turned out to be a non-preferred medium as regard to Q3 stating preferred choice of medium. People are not very much obliged when a telemarketer from a bank calls them to offer new product or service. This is quite evident from the responses to

the questions asked regarding telemarketing. Only 13% of people who filled in the survey think that marketing through phone is a better medium for banks to communicate with them for the new offerings. However the rest of 87% thought telemarketing to be a waste of their time as mostly mentioned that they don't even respond to phone calls for promotional activities from banks.

- Mobile marketing is the highlight of the list of non-preferred mediums, as per the responses of the questionnaire and online survey. 94% of people rated it to be non-preferred, mostly because either their banks did not offer mobile services or they did not find it convenient. Currently only MCB bank is offering mobile services. Only 6% of people thought mobile to be an attractive medium of communication with the banks.

TABLE 5: Analysis of Questionnaire

Marketing Medium for Bank	Probability of Demand	Comments
Internet Banking	27%	Ease of Banking. The professional class of people supports this.
Email	43%	Rest of 50% does not receive any marketing emails.
SMS	78%	Highly preferred both by students and professionals. Ease of use and accessible medium.
Telemarketing	13%	Acceptable to small group while 87% prefer no response to bank through this medium
Mobile Marketing	6%	Low demand due to limited offering by few banks.

5.2 Analysis of Interviews

In order to analyze the success of marketing mediums with regards to the growth in customer base of the bank, apart from the questionnaire I also conducted three interviews from some of the marketing executives of leading banks.

My first interview was with Mr. Ahsan Iftikhar, Assistant Manager Marketing, KASB Bank. From the proceedings of the interview, I was able to clearly deduce the fact that although the new, more innovative methods of marketing are popular amongst the masses, the older more tested mediums that have stood the test of time are still more reliable and more widely are preferred by the target market as their way of doing banking. Mr. Ahsan mentioned, "Modern mediums are a step forward towards marketing modernization in the local banking industry. In this category, I am using Internet and telemarketing currently for our promotional activities". I analyzed that modern communication mediums are a way forward to tap more customers and generate more revenue. About telemarketing he said, "Unfortunately, telemarketing in Pakistan has never been focused in the correct direction. Mostly untrained and unqualified staff is employed which irritates the customers instead of attracting them. However like other banks, we have also outsourced this division to professional call centers in order to create a better image." Here I analyzed that telemarketing requires proper strategy and directions to build interest for customers.

My second interview was conducted with Ms. Azra Munaf (Assistant Manager Marketing HSBC). About telemarketing she said, "Telemarketing, SMS Banking, Internet and Email are a very effective tool for targeting existing customers for new products and services as people tend to probe into such facilities." I analyzed that Pakistan Banking division highly depends and recommends marketing through modern communication means such as phone, SMS and Internet. On a question regarding Internet marketing, she said, "There are limited users of internet in Pakistan; out of which significant no of people consider Internet banking as a security risk. This misunderstanding affects the marketing through this medium as well." However, Internet usage is still limited due to security and knowledge constraints in masses. On a question regarding the increase in customer base, she said, "The modern mediums can dominate the market arena if majority of people hold the means to be served properly." Moreover she added, "We, HSBC, are also

experiencing a growth in customer base after the incorporation of these mediums." I analyzed that in order to retain customers and increase a bank's overall competitive advantage, communication mediums must be adopted and tailored to establish marketing means and increase more awareness among the masses. There is a direct proportional relationship between an increase in customer base and marketing communication mediums.

My third interview was conducted with Mr. Irfan Abbas (AVP MCB). On a question regarding the promotion of their products and services through modern mediums, he said "We use telemarketing. Mobile banking and Internet are the preferred mediums and for achieving the expert services in this regard we have outsourced this segment to the third party vendor. I analyzed that communication mediums like phone, SMS, internet etc are very significant mediums to market products and services, increase customer base (prospects and critical), increase profitability and maintain a competitive advantage over the competition. He explained, "The lack of knowledge and awareness among the people is the major barrier in the use of modern mediums. The people are not aware of the new advancement that has already made its presence in the world." However, lack of knowledge and awareness in this regard is a major barrier that needs considerable effort. Mr. Irfan also added to his statement, "Incorporating modern mediums is beneficial for banks because they are significantly cost effective as compared to the traditional mediums." These mediums require lower overall transaction and operational costs and allow more streamlined flow of marketing. On a question regarding mobile banking, he said, "We are very delighted to launch million branches project." He further added, "This product will revolutionize the banking in Pakistan. This will benefit our every individual account holder throughout the country." He also said, "It's a very futuristic approach we have adopted and this will ultimately result in growth of customers." Further, mobile banking is an emerging trend that is being focused and considered a critical mean of marketing.

5.3 Analysis of Case study (Hibernia Bank)

This case study suggests how telemarketing can help any bank to improve customer (both prospect and existing customers) base and help increase revenue provided that telemarketing is executed in a tailored and a unique fashion. Telemarketing that focuses on retaining critical customers by providing attractive add on to their existing service will allow a better relationship while introducing valuable packages to new untapped prospects. For the fore mentioned concept to take place, a Bank must have unique, highly competitive and tailored telemarketing call center solutions, as adopted by Hibernia bank. Telemarketing is a revenue-generating medium for marketing a bank's services and products in a unique fashion. It delivers new banking packages and details to customers. Banks need to be very cautious when tapping to their customer base and they must know their buying patterns and requirements. Telemarketing also requires sales professionals who understand their customers and this is very important since services must be tailored centrally around the customer.

6 Conclusion

My primary data constituted of a questionnaire and interviews conducted with marketing executives of various banks. The results attained from my primary data collected, clearly indicates that although modern marketing mediums are innovative and capable at effectively marketing products, they may not be some of the most preferred methods of marketing. Out of the four mediums chosen for this report, the only medium that was able to get any real positive feedback was marketing through SMS. In case of interviews from marketing executives, majority of the interviewees admitted that modern marketing mediums are assisting considerably in attaining new customer base and sustaining the existing clientele.

My secondary data constituted of a case study related to Hibernia Bank. The results attained through my secondary data pointed out the fact that modern mediums can only be as effective as they are expected to be when their usage is appropriate and efficient. Only precise and calculated application of modern mediums to market products can yield favorable results.

To conclude it all, there is undoubtedly a positive relationship between increasing customer base and usage of modern mediums for marketing of products and services. However, keeping in view the local scenario and all the various variables that constitute it including the present downward cycle of economic recession, law and order situation and lack of awareness with respect to modern technology and innovation, the growth is present but stunted. Local banks can apply the modern mediums to market products and also expect favorable outcomes; however, the outcome may not be of the magnitude that they may have expected. I believe that all businesses intending to apply modern mediums of marketing should incorporate aforesaid variables first into their cost benefit analysis before making a decision to revert to modern mediums for marketing their products and services.

7 Recommendations

7.1 Awareness of Modern Mediums

I believe that local banks instead of just incorporating new ways of marketing should first realize the fact that a large portion of the population having bank accounts still lacks the awareness of these mediums. They do not have the slightest clue what these mediums stands for and how they can convey the information. Developing awareness before will provide more satisfactory results if any medium is incorporated.

7.2 Understanding Marketing Dynamics

Banks should realize the fact that traditional mediums are more established and people have all to means for accessing them. However ,when it comes to modern marketing mediums, except for mobile, all other mediums are not easily accessible. Either people lack the knowledge or they do not have the resources. Therefore banks should always be careful before investing in the deployment of modern mediums as they can easily become a part of losses enquired statement.

7.3 Favorable Medium Research

As per my research study I concluded that SMS marketing is more favorable. Similarly banks should conduct through research before incorporation of any modern medium. Banks should try to invest in research-based work to revolutionize mediums that are most effective in the market. Banks must adopt strategy to focus segments with a medium that may be most effective to them. This will help generate more customers and increase more profitability for the Bank.

List of Abbreviations

SBP	State Bank of Pakistan
KSE	Karachi Stock Exchange
NBFC	Non-banking Finance Companies
DFI	Development and Financial Institutions
MFB	Micro Financing Bank
NBP	National Bank of Pakistan
KASB	Khadim Ali Shah Bukhari
HSBC	Hong Kong and Shanghai Banking Corporation
ABL	Allied Bank Limited
HBL	Habib Bank Limited
UBL	United Bank Limited
SCB	Standard Chartered Bank
MCB	Muslim Commercial Bank
AVP	Assistant Vice President
P	Preferred
NP	Not Preferred
n.d	No Date

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Research Questionnaire			
Name:			
Gender:	Male	Female	
Age:	20-30	30-40	40 & Above
<p>Q1. Do you have a bank account?</p> <p>Q2. Do banks / financial institutions contact you through any of the following means?</p> <p>Q3. What is your preferred choice of medium when it comes to receiving marketing promotions from your bank?</p> <p>Q4. Do you use internet as your preferred medium of banking?</p> <p>Q5. If yes, do new promotional online banners and links on a bank's website attract your attention?</p> <p>Q6. If you answer to question 4 is no, why do you not use internet as the preferred choice of banking?</p> <p>Q7. Do you use an email account?</p> <p>Q8. If yes, do you receive promotional emails from banks?</p> <p>Q9. If you answer to question 8 is yes, do you respond to a promotional email sent to you by a bank, inquiring about further information regarding that product/service?</p>			

Q10. How often do you receive telephone calls from different banks for promotional activities?

Q11 . Do you respond to phone calls for promotional activities from banks?

Q12. Do you have an ATM Card?

Q13. If yes, how frequently do you use your ATM?

Q14. Do you ever pay attention towards the promotional ads displayed at the ATM?

Q15. Does your bank offer mobile banking facilities?

Q16. If yes, do you find it convenient to access different bank promotional information through your mobile?

Q17. Do you think modern mediums such as SMS, phone and internet marketing etc, better communication tools than their traditional counterparts such as TV and print media?

Q18. What further steps do you think your bank must adopt to make its promotional communication more effective?

First Interview - Ahsan Iftikhar – Assistant Manager Marketing KASB

Interview Held on: 13/12/2010

Interview Held at: KASB – Trade Center 10th Floor, Karachi, Pakistan

Agenda: The usage of modern marketing mediums by banks

Interviewee: Ahsan Iftikhar – Assistant Manager Marketing KASB

Interviewers: Syed Muhammad Saghar

Background

The interview was conducted to discuss how local banks are utilizing modern marketing mediums to increase their customer base, and what are the reasons associated with success/failure.

Highlights of the interview

- Mr. Ahsan mentioned that modern mediums are a step forward towards marketing modernization in the local banking industry
- In modern mediums category, currently KASB is using Internet and telemarketing for their promotional activities.
- They are planning to implement SMS banking within 2 years time.
- Mr. Ahsan mentioned that due to lack education in Pakistan, the modern mediums for communications are not performing as well as they should. However the trend is shifting and within next 5 years most of the banks marketing will be done through these marketing mediums.
- About telemarketing he said that unfortunately telemarketing in Pakistan has never been focused in the correct direction. Mostly untrained and unqualified staff is employed which irritates the customers instead of attracting them. However banks are now outsourcing this division to professional call centers in order to create a better image.

- On a question regarding mobile banking he said that considering the mobile penetration in the country there is a strong possibility that mobile banking if introduced and done correctly can even replace the traditional mediums of marketing.
- With regards to the growth in customer base due to the usage of modern mediums for marketing, Mr. Ahsan said that currently they don't have definite statistics. He believes that modern mediums have contributed to the growth in their customer base but to a certain extent, the major contributors are still the traditional mediums.

Second Interview - Azra Munaf – Assistant Marketing Manager HSBC

Interview Held on:	20/12/2010
Interview Held at:	Bharia Complex III, 8 th Floor, Karachi, Pakistan
Agenda:	The usage of modern marketing mediums by banks
Interviewee:	Azra Munaf – Assistant Marketing Manager HSBC
Interviewers:	Syed Muhammad Saghar

Background

The interview was conducted to discuss how local banks are utilizing modern marketing mediums to increase their customer base, and what are the reasons associated with success/failure.

Highlights of the interview

- HSBC is currently utilizing phone, SMS, and Internet in the domain of modern mediums to market their products & services.
- Ms. Azra mentioned that due to the limited operations of HSBC in Pakistan, investment in marketing is limited.
- HSBC has to follow defined marketing policies as per the direction of their Hong Kong regional office.

- On a question regarding Internet marketing, Ms. Azra said that there are limited users of Internet in Pakistan; out of which significant no of people consider Internet banking as a security risk. This misunderstanding affects the marketing through this medium as well.
- Ms. Azra pointed out that the fact that due to degrading economic conditions of people of Pakistan, people have very limited resources. They don't have the means of computers and Internet. So marketing through Internet is not very effective. However even in these crises situations mobile phones users are increasing by the day and marketing through mobiles is a very effective medium of communication.
- Ms. Azra mentioned that the telemarketing is a very effective tool for targeting existing customers for new products and services as people tends to listen when the call is from their own bank.
- On a question regarding the increase in customer base, she said that the modern mediums could dominate the market arena if majority of people holds the means to be served properly. She mentioned that HSBC is experiencing a growth in customer base after the incorporation of these mediums.

Third Interview - Syed Irfan Abbas – AVP MCB

Interview Held on:	27/12/2010
Interview Held at:	MCB Tower, Karachi, Pakistan
Agenda:	The usage of modern marketing mediums by banks
Interviewee:	Syed Irfan Abbas – AVP MCB
Interviewers:	Syed Muhammad Saghar

Background

The interview was conducted to discuss how local banks are utilizing modern marketing mediums to increase their customer base, and what are the reasons associated with success/failure.

Highlights of the interview

- Mr. Irfan gave us an insight on various important factors that enhance the marketing performance and also factors that impede it.
- On a question regarding the promotion of their products and services through modern mediums, he said that they use telemarketing as the preferred medium. For achieving the expert services in this regard they have outsourced this segment to the third party vendor.
- He explained that the lack of knowledge and awareness among the people is the major barrier in the use of modern medium. The people are not aware of the new advancement that has already made their presence in the world.
- Mr. Irfan mentioned that incorporating modern mediums is beneficial for banks because they are significantly less costly as compared to the traditional mediums.
- On a question regarding mobile banking, he said MCB is very delighted to launch million branches project. He said that this product would revolutionize the banking in Pakistan. It will benefit every individual account holder at MCB throughout the country. He also said that it's a very futuristic approach MCB has adopted and this will ultimately result in growth of customers.

Public Sector Commercial Banks		
S. No.	Banks	Branches
1	First Women Bank Limited	44
2	National Bank of Pakistan	1458
3	The Bank of Khyber	34
4	The Bank of Punjab	272
Specialized Banks		
S. No.	Banks	Branches
1	Industrial Development Bank of Pakistan	19
2	The Punjab Provincial Cooperative Bank Limited	159
3	SME Bank Limited	13
4	Zarai Taraqati Bank Limited	342
Micro Finance		
S. No.	Banks	Branches
1	Khushhali Bank	73
2	The First Micro Finance Bank Limited	100
3	Network Micro Finance Bank Limited	6
4	Pak Oman Micro Finance Bank	15
5	Rozgar Micro Finance Bank	16
6	Tameer Micro Finance Bank Limited	27
Private Sector Commercial Banks		
S. No.	Banks	Branches
1	Allied Bank Limited	700
2	Arif Habib Rupali Bank Limited	13 (20 more by the end of 2008.
3	Askari Commercial Bank Limited	119
4	Atlas Bank Limited	27
5	Bank Alfalah Limited	231
6	Bank Al-Habib Limited	203
7	Crescent Commercial Bank Limited	28
8	Faysal Bank Limited	109
9	Habib Bank Limited	1400
10	KASB Bank Limited	35
11	MCB Bank Limited	900
12	Metropolitan Bank Limited	94
13	Mybank Limited	62
14	NIB Bank Limited	240
15	PICIC Commercial Bank Limited	15 (Now merged with NIB Bank

16	Saudi Pak Commercial Bank Limited	55
17	Soneri Bank Limited	90
18	United Bank Limited	1000
Islamic Banks		
S. No.	Bank	Branches
1	BankIslami Pakistan Limited	36
2	Dubai Islamic Bank Pakistan Limited	9
3	Meezan Bank Limited	100
Foreign Banks		
S. No.	Bank	Branches
1	ABN AMRO Bank N.V.	80
2	Albaraka Islamic Bank B.S.C. (E.C.)	18
3	Citibank N.A.	23
4	Deutsche Bank AG	3
5	Habib Bank AG Zurich (Habib Metropolitan Bank)	94
6	Oman International Bank S.A.O.G.	1
7	Standard Chartered Bank	241
8	The Bank of Tokyo-Mitsubishi-UFJ, Limited	1
9	The Hong Kong and Shanghai Banking Corp. Ltd.	9
D.F.Is		
S. No.	Bank	Branches
1	House Building Finance Corporation	58
2	Investment Corporation of Pakistan	1
3	Pak Kuwait Investment Company (Pvt.) Limited	2
4	Pak Libya Holding Company Limited	1
5	Pak Oman Investment Company(Pvt.) Limited	4
6	Pakistan Industrial Credit & Investment Corporation (PICIC)	45
7	Saudi Pak Industrial & Agricultural Investment Company Limited	1
	From State Bank of Pakistan	