

SVKM's NMIMS
School of Distance Learning

Programme: PGDBFM

Academic Year: 2011-2012

Subject: Retail Banking

Date: 28.12.2011

Semester III

Course New

Marks: 70

Time: 3.00 p.m to 6.00 p.m

Instructions: Candidate should read carefully the instructions printed on the questions paper and on the cover of the answer Book, which is provided for their use.

Q.1) Discuss any two

(Marks: 10)

- a) Relationship Marketing
- b) Importance of personal banking in new generation bank
- c) Current Accounts in banks
- d) Customer Segmentation

Q.2) Write short notes on any two

(Marks: 10)

- a) Regional Rural Banks
- b) Importance of retail banking in Indian economy.
- c) Securitization of retail loans.
- d) Electronic fund Transfer
- e) Mutual Fund

Q.3) Attempt any three

(Marks: 30)

- a) Discuss the recent trends in the retail banking sector.
- b) Discuss the problem of interest rate risk in banks.
- c) Discuss the Banking ombudsman scheme.
- d) Discuss loans and advances granted by the banks.
- e) Discuss channel selection and channel management

Case: Bank of Baroda

Bank of Baroda wanted to achieve a major marketing impact via pull-SMS by reaching out to new decision makers (and engaging existing customers) for its newly-launched Baroda Loan service in India.

Bank of Baroda Mobile Loan Enquiry Service via SMS

Bank of Baroda is one of India's oldest banks—and second largest. It has a total network of more than 2,700 branches and more than 670 ATMs across the country. With a network of 59 offices in 20 countries, the Bank of Baroda has a significant international presence.

Using Sybase 365's Application Manager technology, Bank of Baroda's customers across India are able to enquire about the bank's loan services by texting the keyword "loan" to shortcode "6365." The customers receive an acknowledgement message via SMS, and a telephone call from a sales representative informing the customer about the various loan services available from the bank.

"Mobility is definitely the way to go, to reach new—and engage existing—customers," said Ajai Kumar, GM (Marketing & Retail Banking), Bank of Baroda. "The Baroda Loan service cuts across all barriers of conventional time- and place-based banking, offering our customers a truly round-the-clock, around the globe, banking service."

"Bank of Baroda chose Sybase 365 not only because of their unrivalled global SMS footprint," added Kumar, "but also because of their ability to provide a secure, user-friendly, and cost-efficient application platform upon which to roll out new mobile services to our customers locally, as well as those residing overseas."

The Baroda Loan service via SMS provides customer convenience without the need to dial a call center, go through a tedious interactive voice response system, or make a physical trip to the bank for information. All leads generated via SMS are captured in the Sybase 365 marketing information system, which is directly linked to Bank of Baroda's ten Retail Loan factories across India. Customer details—such as name, mobile number, the date on which the SMS enquiry was received, the mobile operator to which the customer subscribes, and the part of India from which the SMS was sent—are captured through a Web portal and made available for viewing in an online report.

Bank of Baroda has plans to extend the service, and to roll out similar mobile banking services with Sybase 365 to reach Bank of Baroda account holders residing overseas.

Key Benefits

- Real-time delivery of mobile enquiry services via any host operator
- Easy and convenient method for reaching a large customer base
- Reduced cost and more time can be spent on serving genuinely interested customers
- Timeless and seamless message delivery regardless of operator

Question

Do you think other banks in India should also start SMS texting services for enquiry of bank loans? What other ways a bank can implement to expand its business. Suggest at least two ways.