

CASE THREE

Maybank: Meeting Customer Needs in a Changing Environment

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Case Objectives

- To identify macro-economical forces
- To understand how macro-economical forces affect marketing strategies

Case Synopsis

- Maybank's actions over the recent years have been affected by social, economical, regulatory and technological forces in Asia
- Social forces influencing Maybank's decision includes the ageing population and increasing level of education and academic qualifications of the individuals. Decisions have to be taken with this group of target consumers in mind to ensure their needs are met.
- Maybank introduced new forms of technology to consumers and at the same time educated them on the usage methods as well as addressed issues regarding cyber security by providing methods on what can be done to ensure their account is safe from hackers and implemented the Transaction Authorisation Code system.

Case Questions and Answers

Question 1

What macro-environmental forces affect the banking industry? What implications can be drawn as a result for marketing strategies in the banking industry?

Macro-environmental forces	Implications for Marketing Strategies
<ul style="list-style-type: none">• Ageing population	<ul style="list-style-type: none">• Promote the elderly friendly environment in banks<ul style="list-style-type: none">○ Variety of languages○ Lifts
<ul style="list-style-type: none">• Increased numbers of smaller households and double income couples resulting in higher discretionary incomes that can be saved or invested.	<ul style="list-style-type: none">• Offering various investment and savings options for customers with different risk profiles.

<ul style="list-style-type: none"> Heightened awareness and understanding of the importance of saving and investing in the younger generation. 	<ul style="list-style-type: none"> Introduce a mascot in the promotional campaigns to capture the attention of the younger generation. This will attract them to set up a savings account with the bank
<ul style="list-style-type: none"> Highly educated people who place great importance on efficiency and staying up-to-date with current events and situations 	<ul style="list-style-type: none"> Emphasizing on the latest technological capabilities in its advertising campaigns and how it helps consumers save time
<ul style="list-style-type: none"> Increasing use of mobile phones in Asia 	

Question 2

How has Maybank responded to the macro-environmental changes? Are the responses appropriate? What other responses would you suggest?

Macro-environmental forces	Maybank's Response	Other Responses
<ul style="list-style-type: none"> Ageing Population 	<ul style="list-style-type: none"> Increase in savings and retirement plans 	<ul style="list-style-type: none"> Focus on providing services suitable for the elderly. This would include improvements in the service environment to make it more elderly friendly by creating wheelchair friendly walk ways and seats for the elderly in the case of long waiting times Promotions in different mother tongues (Chinese, Malay, Tamil) to cater to the elderly from the different racial groups who are not fluent in the English language. They can be done via the different newspapers and news channels, as well as offering brochures in various languages. Staff from different racial groups can be employed to assist the elderly too.
<ul style="list-style-type: none"> Increased numbers of 	<ul style="list-style-type: none"> Offering a number of 	<ul style="list-style-type: none"> Offering various

<p>smaller households and double income couples resulting in higher discretionary incomes that can be saved or invested.</p>	<p>savings and investment account options including the Gold Savings Passbook Account, Premier 1, Flexi Plan 2</p>	<p>investment and savings options for customers with different risk profiles.</p> <ul style="list-style-type: none"> • Offering higher interest rates for fixed deposit accounts.
<ul style="list-style-type: none"> • Heightened awareness and understanding of the importance of saving and investing in the younger generation. 	<ul style="list-style-type: none"> • Developed the imteen account for teenagers 	<ul style="list-style-type: none"> • Banks can go to primary and secondary schools to hold talks and encourage children to start saving from young
<ul style="list-style-type: none"> • Urbanization of previously rural areas in Asia 	<ul style="list-style-type: none"> • Establishing branches throughout the Asian region and the world 	
<ul style="list-style-type: none"> • Highly educated people who place great importance on efficiency and staying up-to-date with current events and situations 	<ul style="list-style-type: none"> • Introduced a low maintenance account – Premier Club Account - for customers with busy lifestyles 	<ul style="list-style-type: none"> • Keeping consumers constantly updated on news regarding the bank via frequent email blasts • Increase the number of transactions that can be done online instead of going down to the banks (ie. Internet Banking) • Different queues for different transactions, with more tellers during peak hours to speed up the waiting time
<ul style="list-style-type: none"> • Increase in the use of foreign currency in Asia propelled by globalization • Liberalization in trade and investment in Asia 	<ul style="list-style-type: none"> • Offering their range of Foreign Currency Accounts which minimizes the risk of foreign exchange rate fluctuations, available in over ten currencies 	
<ul style="list-style-type: none"> • Declining cost of computers and other electronic devices 	<ul style="list-style-type: none"> • Created a corporate web site to facilitate banking transactions online and as a source of communication between consumers and Maybank (to provide feedback and answer queries) • Offering general 	

	<p>information to consumers to allow them to protect their privacy</p> <ul style="list-style-type: none"> • Transaction Authorisation Code (TAC) system to create an even more secure Internet environment for its customers 	
<ul style="list-style-type: none"> • Increasing use of mobile phones in Asia 	<ul style="list-style-type: none"> • Offering Mobile Financial Services 	<ul style="list-style-type: none"> • Providing self service options via the internet or mobile phone to allow consumers to access their account and check their account details 24/7 • Mobile phone transactions are expected to complement and overtake internet transactions through the PC in the future • Banks should have tie-ups with online stores to allow users to shop and pay via their mobile phones • Allow subscribers working overseas to remit money to their families in their home countries

Question 3

Will macro-environmental forces affecting other industries such as the computer industry, clothing industry and food industry be different from those in the banking industry? What are the similarities and differences? What implications can be drawn for marketing strategies as a result?

Macro-environmental forces	Implications for Marketing Strategies
<ul style="list-style-type: none"> • Ageing population 	<p><u>Computer Industry</u></p> <ul style="list-style-type: none"> • Increase in the ease of navigation around corporate websites to facilitate the ease of use • Incorporating more graphics in place of text on the websites
<ul style="list-style-type: none"> • Increased numbers of smaller 	<p><u>Computer Industry</u></p>

<p>households and double income couples resulting in higher discretionary incomes that can be saved or invested.</p>	<ul style="list-style-type: none"> • Consumers will be willing to purchase more expensive and advanced computers as they are becoming increasingly technologically savvy due to the exposure they get at work. Furthermore, they are always on the go and value portability • Smaller sized laptops not compromising on the specifications found in desktops should be introduced by the various brands <p><u>Food Industry</u></p> <ul style="list-style-type: none"> • Double income couples tend to eat out more often, boosting sales in F&B • Convenience (frozen/canned) food might become more popular as it requires only a short time to prepare • F&B manufacturers should diversify into the convenience food sector to tap on this trend <p><u>Clothing industry</u></p> <ul style="list-style-type: none"> • Increase in spending on office attire to project a professional image at work • Since there is an increase in demand for office attire, prices can be increased
<ul style="list-style-type: none"> • Increasing use of mobile phones in Asia 	<p><u>Computer Industry</u></p> <ul style="list-style-type: none"> • Decrease dependence on computers in the future as transactions can now be done via mobile phones • Promote the benefits of using computers instead of mobile phones and the additional security benefits mobile phones fail to provide