Marketing of Financial Products (MFP)

RETAIL BANKING

Banks are a prominent and vital part of the financial system in India. They are one of the biggest contributors to the growth of the economy and development of the country. Retail banking is one of the most elemental components of the commercial banking system and is of utmost importance to the general public. It is a rising trend that is considered to be a marvellous innovation in the banking sector. Emerging economies like India have benefitted spectacularly due to this emerging trend of retail lending. The ever-evolving technology is one of the main reasons for the growth of this sector.

What is Retail Banking?

Retail Banking is also termed as consumer banking. As the name suggests, it is a part of the commercial banking system associated with the general public and individual customers. Retail banking systems aim to provide banking services like opening accounts, loans, debit cards, and more to the citizens. This system targets members of the general public and their personal needs of handling money. It excludes companies, businesses, and corporations which may need more complex banking solutions.

Retail banking is, quite broad in nature - it refers to the dealing of commercial banks with individual customers, both on liabilities and assets sides of the balance sheet. Fixed, current / savings accounts on the liabilities side; and mortgages, loans (e.g., personal, housing, auto, and educational) on the assets side, are the more important of the products offered by banks. Related ancillary services include credit cards, or depository services.

Today's retail banking sector is characterized by three basic characteristics:

1. Multiple products (deposits, credit cards, insurance, investments and securities);
2. Multiple channels of distribution (call centre, branch, Internet and kiosk); and
3. Multiple customer groups (consumer, small business, and corporate).

Functions of Retail Banking

There are three primary functions of consumer banking**.** Firstly, banks offer to deposit money for savings accounts, recurring deposit accounts, fixed deposit accounts, and other financial services to safely secure the capital for the general public. Secondly, it offers credit in terms of interest earned on saving money and loans and mortgage. Thirdly, retail banks assist consumers

in handling their money and managing their money through various retail banking solutions and services.

These kinds of services help the customers in their financial matters and daily transactions.

Types of Retail Banks

These banks are often termed as people's banks as they cater to the needs of the general public. It is sometimes also referred to as personal banking or mass-market banking. Commonly, large commercial banks have local branches to meet various objectives of retail banking. Some common types of retail banks are:

- Commercial Banks
- Regional Rural Banks
- Private Banks
- Post Offices

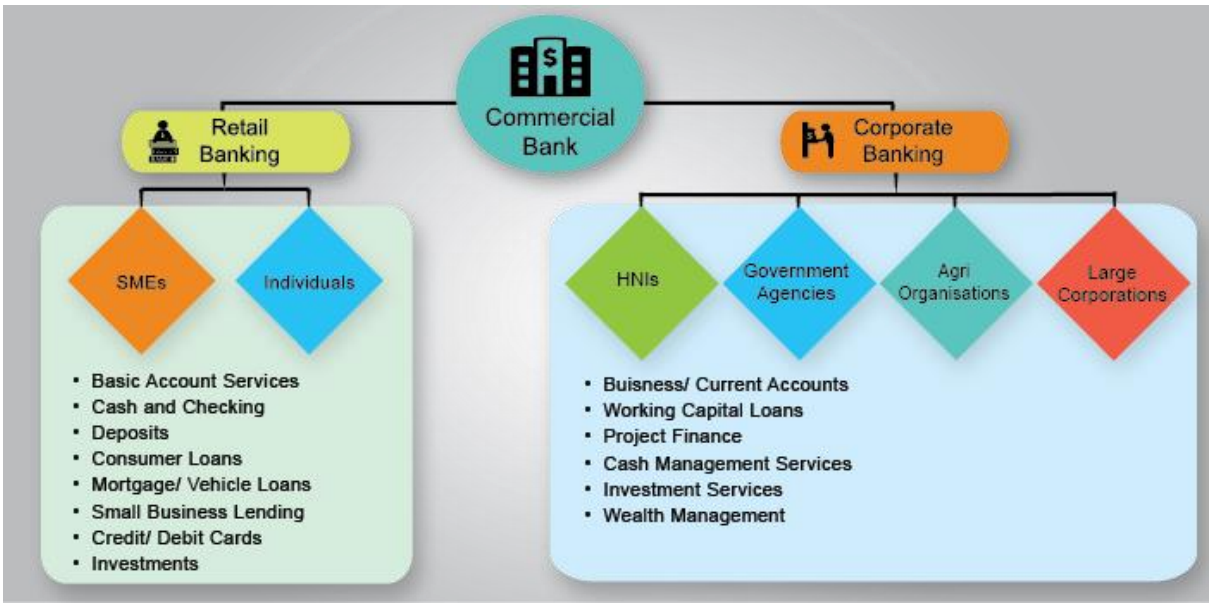
- **Retail Banking Services Offered by Banks**

Various retail banking services provided by banks include a range of financial products that can be classified as retail deposit products, loan services, and payment services. Following are a few retail banking solutions and services offered by banks to its consumers.

  - Savings Bank Accounts
  - Current Account
  - Debit Card
  - Credit Card
  - ATM Cards
  - Loans

- Apart from the above-mentioned features of retail banking, banks allow their clients to avail safe deposit lockers for safekeeping of their valuables at annual charges. Funds transfer, NEFT, RTGS, Core Banking Solutions, Internet banking, mobile banking, information system, electronic clearings service, cheque clearance, remittances, payment settlement and more are some other important services provided by retail banks. Retail banking is a classic example of technological revolution changing the banking system.

Difference between Retail and Corporate Banking



Advantages of Retail Banking

Retail banking is an alternative for banks as well as individual customers. The importance of retail banking stresses the advantages of services offered by banks. Unlike corporate banking, retail banking concentrates on small units and individuals for earnings. Over the years, it has proven to have increased earnings and businesses for banks. It has reduced operational costs and has helped banks in establishing a brand image in the market among the general public. In addition, banks have developed customer relationship with their clients. This has increased and strengthened the customer base.

Retail Banking Trends in India

In the past 10 years, the banking industry has undergone a major evolution. Due to the rise of competition, the IT revolution, emergence of Fintech and non-financial services, and changing customer demographics and expectations have prompted banks to adopt new strategies and techniques. Banks are moving towards the digital transformation that offers better customer experience, reduction in operating costs and lower cost for banking transactions. Meanwhile, internet banking and mobile banking are the most rapidly emerging trends in the retail banking sector. Technological innovation has made banking easy and convenient. This trend is predicted to result in a drop in bank visits drastically in the coming years. Use of artificial intelligence and voice assistants to deliver personalized and contextualized services are technologically-forward innovations expected to change banking systems. Adoption of biometrics authentication and KYC systems are a few changing trends that are expected to lower risks of fraud and fraudulent activities.

CREDIT CARDS

In a nation like India, where people were afraid to avail a loan, the advent of credit cards has revolutionised the way people look at debt. People have been fascinated by the very design of credit cards that provide access to readymade funds that could help them pay towards their sudden or emergency expenses. The interest-free period that provides grace period to clear the debt is one more interesting aspect that pulls people to have at least one credit card.

Today, with more than 30 million credit card users, India in one of the top nations with the greatest number of credit card users. Despite that, ignorance about credit cards still prevails.

What is a Credit Card?

A credit card, in physical terms, is a plastic card issued by a bank or a financial institution. The card issuer, either a bank or a financial institution, provides a credit card to eligible individuals with a maximum credit limit. Cardholders can make purchases using the card within the specified limit on credit. The used amount should be paid back at a later date, typically within 30 to 45 days, called grace period or interest-free period, from the date of purchase.

If the used credit on the card is cleared on-time, banks will not charge any interest. Whereas unpaid dues on card will attract finance charges till they are cleared in full.

Anatomy of a Credit Card

Each and every element imprinted on a credit card has a role to play in making the card work. The front side of a credit card have some components, while its back side will have others.

Elements on the front side of a credit card

Credit Card Number:

The 16-digit credit card number printed at the centre of a credit card is not just a system generated random number. Each digit or a set of digits of the number provide specific information about the type of card, card issuer, and others.

- **Digits 1-6 of a credit card number – Issuer Identification Number (IIN)**
  The first digit of a credit card number is called Major Industry Identifier (MII) and represents a particular industry that issued the card. Each digit from 1-9 represent a different industry.

Since, card networks come under banking and financial category, the digits 4 and 5 are assigned to the two popular card networks – VISA and MasterCard. Hence, those two cards begin with 4 and 5 respectively. Amex cards, on the other hand, begin with 3.

The first 6 digits of a credit card number including the first digit are called Issuer Identification Number or Bank Identification Number (BIN). They represent the card's issuing bank.

- **Digits 7-15 of a credit card number – Account number of cardholder**
  The next 8 digits of a credit card number from 7 to 15 contain the primary account number (PAN) of the credit cardholder.
- **Digit 16 of a credit card number – The check digit**
  The last digit of a credit card number is called check digit because it is used to check accuracy of card numbers.

Card Issuer Logo

The next component of a credit card that is predominantly displayed either on the top left or top right side of a credit card is the card issuer's name.

Credit Card Name

Just on the opposite side to the bank's name is the credit card name. Each credit card these days come with a different name like Premium Card, Diner's Delight card, etc.

Credit Card Network

At the bottom right corner of a credit card, the logo of credit card network provider will be printed. In India VISA, MasterCard, Amex and RuPay are popular network providers. The networks are responsible for processing payments made with the card.

Cardholder's name

Most credit cards have the cardholder's name imprinted on the bottom right side of the card.

Chip on the card

The chip embedded on a credit card holds cardholder's information. Powered by EMV (Europay, MasterCard, Visa) technology, the chip-enabled credit cards offer an efficient way to store information and provide protection against fraud compared to the traditional magnetic strip-based cards.

Valid From and Valid Thru

Right below the credit card number, one can find two different dates in MM/YY format. The first date typically is the account opening date and the next date is the card expiry date.

Contactless card icon

Contactless payment technology is the latest entrant in card payments. Credit cards enabled with contactless payment technology will display a symbol similar to volume symbol on the front side of the card. Cardholders just need to tap or wave the card near the card reader to make the payment.

Elements on the back side of a credit card

Magnetic strip

The black magnetic strip behind a credit card is made of millions of tiny magnetic particles and carries all of the account information. That is the reason the card is typically swiped across the magnetic strip using the card reader. Once the card is swiped, the machine reads all the account information and processes the transaction.

CVV security code

Below the magnetic strip is the CVV (Card Verification Value) security code which actually is a fraud-prevention tool. The numeric code is typically required for online purchases.

Signature box

Cardholder's must sign in the box to make the card legally valid. In case of suspicious card present transaction, the signature on the card will be matched with the one on the cardholder's signature proof such as PAN card.

Hologram

The glittering little sticker below the magnetic strip is a hologram security feature. It prevents the card from physical copying. The hologram contains various layers of images at different angles. Some images are also hidden within these layers.

Customer helpline numbers

Most credit card issuers print customer care numbers on the back side of the credit card.

Credit Card PIN

Credit card PIN or personal identification number is a numeric code that provides additional security for a credit card. The PIN is required to process a transaction at a point-of-sale (POS) terminal and for ATM related transactions. Credit cardholders are now supposed to generate their card PIN once they receive the card using various channels including net banking account, bank ATM, through SMS or by contacting customer care helplines.

What is Credit Card Limit?

Credit card limit is the purchase limit set by the credit card company or a bank on a particular credit card. The limit, which is usually in terms of money, is the maximum amount the user can spend using a credit card. The credit limit is different for different cards and is determined based on the customer's eligibility. The different limits are as under:-

Total credit limit

Total credit limit is the maximum credit available on your card at the time of issuance.

Available credit limit

Available credit limit is the amount available for spending on a card at a given point of time. It is the difference between total credit limit and the amount spent on the card.

Cash limit

A part of credit limit on a credit card is typically allotted for cash withdrawal. Cash limit is thus the maximum amount a cardholder can withdraw using a credit card.

Basic Features Offered on a Credit Card

- Cash withdrawal
- Revolving credit
- Reward points
- Add-on credit cards

Fees and Charges Associated With Credit Cards

- Joining fee
- Annual or renewal fee
- Interest rate

- GST: Goods and services tax or GST is applicable on all fees, interest transactions, and other charges levied on a credit card.
- Late payment fee
- Cash advance fee
- Over limit fee
- Card re-issuance fee

Advanced Features on Credit Cards

- Cash on EMI
- Credit Card Balance transfer
- Fuel surcharge waiver
- Credit Card for Airport lounge access
- Insurance coverage
- Cashback
- Dining discounts

INSURANCE

Introduction

The insurance industry of India has 57 insurance companies - 24 are in the life insurance business, while 33 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. There are six public sector insurers in the non-life insurance segment. In addition to these, there is a sole national re-insurer, namely General Insurance Corporation of India (GIC Re). Other stakeholders in the Indian Insurance market include agents (individual and corporate), brokers, surveyors and third-party administrators servicing health insurance claims.

Insurance terms

- An insurer: a company selling the insurance
- Insured or policyholder: person or entity buying the insurance policy
- Premium: Amount of money to be charged for a certain amount of insurance coverage
- Risk management: Practice of appraising and controlling risk
- Contract: Insurance policy
- Indemnify: Compensation of financial loss **Acts**

Principles of Insurance

- Utmost good faith
- -Every person who enters into a contract of insurance has a legal obligation to act with **utmost good faith** towards the company offering the insurance
- Must provide all Material Facts
- Misrepresentation
- Non-disclosure
- Insurable interest
- There must exist a financial relationship
- A person has an **insurable interest** in something when loss or damage to it would cause that person to suffer a financial loss or certain other kinds of losses
- Indemnity
- Security or protection against a loss or other financial burden
- Applicable only to general insurance

What Is Life Insurance?

Life insurance is a contract that pledges payment of an amount to the person assured (or his nominee) on the happening of the event insured against.

The contract is valid for payment of the insured amount during:

» The date of maturity, or

» Specified dates at periodic intervals, or

» Unfortunate death, if it occurs earlier.

Among other things, the contract also provides for the payment of premium periodically to the Corporation by the policyholder. Life insurance is universally acknowledged to be an institution, which eliminates 'risk', substituting certainty for uncertainty and comes to the timely aid of the family in the unfortunate event of death of the breadwinner.

By and large, life insurance is civilisation's partial solution to the problems caused by death. Life insurance, in short, is concerned with two hazards that stand across the life-path of every person:

1. That of dying prematurely leaving a dependent family to fend for itself.
2. That of living till old age without visible means of support.

Features of a Life Insurance Policy

Insurance:

A contract of insurance is a contract of utmost good faith technically known as uberrima fides. The doctrine of disclosing all material facts is embodied in this important principle, which applies to all forms of insurance.

At the time of taking a policy, policyholder should ensure that all questions in the proposal form are correctly answered. Any misrepresentation, non-disclosure or fraud in any document leading to the acceptance of the risk would render the insurance contract null and void.

Protection

Savings through life insurance guarantee full protection against risk of death of the saver.

Aid To Thrift:

Life insurance encourages 'thrift'. It allows long-term savings since payments can be made effortlessly because of the 'easy instalment' facility built into the scheme.

Liquidity:

In case of insurance, it is easy to acquire loans on the sole security of any policy that has acquired loan value.

Tax Relief:

Life Insurance is the best way to enjoy tax deductions on income tax. This is available for amounts paid by way of premium for life insurance subject to income tax rates in force.

Money When You Need It:

A policy that has a suitable insurance plan or a combination of different plans can be effectively used to meet certain monetary needs that may arise from time-to-time.

Who Can Buy A Policy?

Any person who has attained majority and is eligible to enter into a valid contract can insure himself/herself and those in whom he/she has insurable interest.

Policies can also be taken, subject to certain conditions, on the life of one's spouse or children.

Keyman Insurance

Keyman insurance is taken by a business firm on the life of key employee(s) to protect the firm against financial losses, which may occur due to the premature demise of the Keyman.

Different Types of Life Insurance Policies in India

1. Term Plan – pure risk cover
2. Unit linked insurance plan (ULIP) – Insurance + Investment opportunity
3. Endowment Plan – Insurance + Savings
4. Money Back – Periodic returns with insurance cover
5. Whole Life Insurance – Life coverage to the life assured for whole life
6. Child’s Plan – For fulfilling your child’s life goals like education, marriage, etc. 7. Retirement Plan - Plan your retirement and retire gracefully
7. Annuities or Retirement Plans or Pension Plans

General Insurance

Insurance contracts that do not come under the ambit of life insurance are called general insurance. The different forms of general insurance are fire, marine, motor, accident and other miscellaneous non-life insurance.

Types of General Insurance:

Fire Insurance

- Fire insurance is a contract of insurance against the loss/damage by accidental fire or other occurrences customarily included under a fire policy.

Motor Insurance

- As per Section 146 of Motor Vehicles Act 1988 No person can drive a vehicle without proper insurance.

Types of Policies:

There are two types of Policies:

(i) Liability Only Policy: This covers Third Party Liability for bodily injury and/ or death and Property Damage. Personal Accident Cover for Owner Driver is also included. This policy is also known as ACT only policy etc.

(ii) Comprehensive (Package)car insurance policy

In Car insurance, a comprehensive car insurance policy covers damage to your vehicle caused by certain events. These include (but are not limited to) fire, theft, vandalism and falling objects.

It is advisable to buy the Comprehensive insurance policy for your car because it covers the insured, vehicle and third party in a single policy. This type of insurance covers all the risks covered in the Motor Vehicles Act plus loss or damage caused to the vehicle.

Personal Accident Cover -Coverage of Rs. 2 lakhs for the individual driver of the vehicle while travelling, mounting or dismounting from the car. Optional personal accident covers for co-passengers are also available.

Third Party Legal Liability -Protection against legal liability due to accidental damages resulting in the permanent injury or death of a person, and damage caused to the surrounding property.

INSURED DECLARED VALUE:

- Each car is insured at a fixed value which is termed as the Insured's Declared Value (IDV). It refers to the maximum claim an insurer will pay if the insured vehicle is damaged beyond repair or is stolen.

Health Insurance

The term 'Health Insurance' relates to a type of insurance that essentially covers your medical expenses. A health insurance policy like other policies is a contract between an insurer and an individual / group in which the insurer agrees to provide specified health insurance cover at a particular "premium" subject to terms and conditions specified in the policy.

Two modes of settlement of health insurance claims

1) Cashless Facility:

2) Reimbursement facility:

Marine Insurance

A contract of marine insurance is an agreement whereby the insurer undertakes to indemnify the insured, in the manner and to the extent thereby agreed, against transit losses, losses incidental to transit through any sea voyage.

Personal Accident insurance

Or P.A. insurance is an annual policy which provides compensation in the event of injuries, disability or death caused solely by violent, accidental, external and visible events. It is different from life insurance and medical & health insurance.

This policy is basically designed to offer some sort of compensation to the insured person who suffers bodily injury solely as a result of an accident which is external, violent and visible. Hence death or injury due to any illness or disease is not covered by the policy.

Commercial Insurance

Commercial insurance encompasses solutions for all sectors of the industry arising out of business operations. Insurance solutions for automotive, aviation, construction, chemicals, foods and beverages, manufacturing, oil and gas, pharmaceuticals, power, telecom, textiles, transport and logistics sectors. It covers small and medium scale enterprises, large corporations as well as multinational companies. For example, liability insurance, energy insurance, engineering insurance etc.

SMALL SAVINGS AND RETIREMENT PLANNING

SMALL SAVINGS

Savings Schemes are savings products administered by the Government of India or public sector financial institutions. They have different rates, tax treatment and tenures as you will see below. However, one common theme among all these small savings schemes is government backing which ensures the safety of your investment. The rates on these schemes are revised every quarter (3 months).

Public Provident Fund Account:

Salient features including Tax Rebate:

- An individual can open account with INR 500/- and a deposit minimum of INR 500/- in a financial year and maximum INR 1, 50,000/- (including amount deposited in minor account opened on behalf of guardian).
- Joint account cannot be opened and only one account can be opened by a citizen in India.
- Maturity period is 15 years but the same can be extended within one year of maturity for further 5 years and so on
- Maturity value can be retained without extension and without further deposits also.
- Premature closure can be allowed after 5 years from the end of the year in which the account was opened subject to some conditions.
- Deposits qualify for deduction from income under Sec. 80C of IT Act
- Withdrawal can be taken after the expiry of five years from the end of the year in which the account was opened.

Senior Citizens Savings Scheme Account

Salient features including Tax Rebate

- An individual of the Age of 60 years or more may open the account.
- An individual of the age of 55 years or more but less than 60 years who has retired on superannuation or under VRS can also open account subject to the condition that the account is opened within one month of receipt of retirement benefits and amount should not exceed the amount of retirement benefits.

- A Retired personnel of Defence Services (excluding Civilian Defence employees) shall be eligible to open an account under this Scheme on attaining the age of 50 years subject to the fulfilment of other specified conditions

- Maturity period is 5 years

- Any number of accounts can be opened in any post office subject to maximum investment limit of Rs 15 lakhs, by adding balance in all accounts.

- Investment under this scheme qualifies for the benefit of Section 80C of the Income Tax Act, 1961.

RETIREMENT PLANNING

There are many factors related to retirement planning, and it is never too early to begin. You may define your retirement goals and need to start a retirement savings plan before considering actual retirement.

Follow the following four simple steps to arrive at an ideal retirement plan:

Step 1: Decide how much income you require to live comfortably in your post-retirement years. Remember to take into account aspects like increased medical costs, expenses and gifts for family.

Step 2: Calculate the amount to be received in lump sum (terminal benefits) at the time of retirement.

Step 3: Select the right retirement plan that enables you to meet your post-retirement requirements. Preferably, choose to invest in asset classes, which can provide you with potentially higher returns in the long run.

Step 4: Start investing very early so that you have time on your side and can enjoy the power of compounding.

How much retirement income will I need? An easy rule of thumb is that you'll need to replace 70 to 90 percent of your pre-retirement income. If you're making Rs20,000 a month (before taxes), you might need Rs15,000 to Rs18000 a month in retirement income to enjoy the same standard of living you had before retirement.

MUTUAL FUNDS

Mutual Fund is a vehicle for investing in stocks and bonds. A mutual fund is not an alternative investment option to stocks and bonds, rather it pools the money of several investors and invests this in stocks, bonds, money market instruments and other types of securities.

Buying a mutual fund is like buying a small slice of a big pizza. The owner of a mutual fund unit gets a proportional share of the fund's gains, losses, income and expenses.

Each mutual fund has a specific stated objective. The fund's objective is laid out in the fund's prospectus, which is the legal document that contains information about the fund, its history, its officers and its performance.

Managed by an Asset Management Company (AMC)

The company that puts together a mutual fund is called an AMC. An AMC may have several mutual fund schemes with similar or varied investment objectives.

The AMC hires a professional fund manager, who buys and sells securities in line with the fund's stated objective. All AMCs Regulated by SEBI, Funds governed by Board of Directors

The Securities and Exchange Board of India (SEBI) mutual fund regulations require that the fund's objectives are clearly spelt out in the prospectus. In addition, every mutual fund has a board of trustees that is supposed to represent the shareholders' interests, rather than the AMC's.

Fundamentals of Mutual Funds:

Net Asset Value or NAV
Expense Ratio
Load

Open- and Close-Ended Funds

1) Open-Ended Funds:

At any time during the scheme period, investors can enter and exit the fund scheme (by buying/ selling fund units) at its NAV (net of any load charge). Increasingly, AMCs are issuing mostly open-ended funds.

2) Close-Ended Funds:

Redemption can take place only after the period of the scheme is over. However, close-ended funds are listed on the stock exchanges and investors can buy/ sell units in the secondary market (there is no load).

Advantages of Mutual Funds:

- Professional Money Management
- Systematic Investment Plan
- Diversification
- Liquidity
- Affordability
- Convenience
- Flexibility and variety
- Tax benefits on Investment in Mutual Funds

Best Digital Marketing Strategies for Mutual Funds

Online Investment in Mutual Funds:

Winning that moment online is key.

Gaining Customers through Digital Marketing:

For instance, take those familiar 4 steps of Raising Awareness, Draw Interest, Generate Desire and Take Action.

Leveraging Digital Media for Awareness & Interest in Mutual Funds

1) Use Social Media
2) Corporate Blogs.
3) Search Engine Optimization (SEO)
4) Pay per click (PPC)

FEE BASED BANKING SERVICES

Banks earn their income in two parts. One type of income is generated by undertaking risk i.e. by lending their deposits. This is called interest income and forms the major portion of any bank's earnings. However, banks also generate earnings from other sources wherein they do not have to lend money or collect interest. Such sources are called fee-based banking services and form an important part of any banks profit and loss statement.

Cards

Credit cards and debit cards have been new addition to the bank's portfolios. However, in a short span of time, these services have started accounting for large sums in any bank's non-interest earnings. There are a variety of fees charged by these cards. There are some fees like joining fees and annual fees. Then there are charges such as interest on overdue balance, over limit fees, service taxes etc. All these charges were not a part of any bank's earnings a few years earlier. Besides every time a credit or debit card is used, banks that have issued such cards are paid fees by the merchant.

The introduction of credit cards has created this new addition to the bottom line of the bank's income statement.

Commissions

Banks have also started providing other services like selling insurance and mutual funds to their customers. Since banks have an intimate relationship with the customer, they are in a position to estimate their net worth and advise them regarding insurance as well as investment needs accordingly. Hence, insurance companies and mutual fund companies collaborate with banks to provide a one stop shop to the customers. Banks charge commissions to market these services to their customers. Over a period of time, commissions from bancassurance have started accounting for significant percentages of non interest incomes.

Capital Market Advisory

Banks often assist corporations in their debt issues in the bond market. They understand the macro-economic conditions very well given their vast experience with capital markets. Hence, they can advise corporations regarding the quantum of debt to be issued, the interest rate at which it needs to be issued as well as the time when issuing such debt would make selling it easier.

Banks usually do not underwrite these debt issues. Instead, they simply charge a flat fee for the advice that they provide and the expertise that they bring to the table.

Demand Drafts and Pay Orders

Demand drafts are different from negotiable instruments like cheques. When a bank issues a demand draft, it is no longer the customer's credibility which is at stake. Unlike cheques, demand drafts are issued by banks and therefore are paid and settled by banks on their own account. Therefore banks charge a fee to provide a demand draft. This fees also forms a part of their non-interest income.

Guarantees

Banks also provide the service of providing guarantees for a given fee. This service is used to bridge the trust gap between two parties. For instance, party A wants an advance payment whereas party B is willing to pay only after the work is completed. Neither party is willing to trust the other party. In such a case party B can deposit the funds with a bank and the bank can issue a guarantee to party A. Since the bank guarantee becomes a binding commitment made by a credible financial institution, party A can be rest assured that they will be paid once the work is completed as decided. The bank charges a fee for providing such a service.

Account Related Fees

Banks also charge a wide variety of fees in order to maintain their customer's accounts. For instance, when customers request cheque books or additional debit cards, they are charged a fee. Besides, banks also charge penalties if the deposits-maintained fall below a certain limit. They also charge fees if there are more than a certain number of withdrawals made within a given time period.

Lockers

Lastly, banks also provide locker services to their customers. This was what the business of banking was originally about and most banks offer this service till date. Customers can store their valuables in the safe vaults of the bank and benefit from the extensive security that the bank has arranged for. Bank charges fee rent from customers for lockers.

The global scenario & Trends in banking and insurance marketing

The banking sector is going through a major transformation. Notable trends witnessed in the banking segment are bancassurance, mutual banking, rural banking and technology inclusion, financial inclusion, increasing focus on Small and Medium Enterprises (SME), overseas and international banking, and universal banking. Micro-finance involves providing financial services to weaker sections of the society.

The financial services segment has witnessed many trends in recent times. The technological changes in the financial services segment have been impressive. Though banking services are the major adopters of high-end technology, other financial services like insurance are also leveraging on technology for delighting customers and gaining a competitive edge. Kiosks are used as a cost-effective tool for product communication, customer management, and brand building. Stored Value Cards (SVC), also called electronic purses, eliminate the need to carry hard cash. Digital security is a technological endeavour that enables safe and secure digital transactions and has gained legal acceptance. Digital certificates will soon gain prominence with increasing focus on e-governance, online trading, and online transactions. Business intelligence is a widely implemented decision making tool. It includes Online Analytical Processing(OLAP), data warehousing, and data mining. Business intelligence systems help the marketer to analyse information and take suitable decisions. Enterprise-wide IT solutions, such as Core Banking Solutions, have helped financial product marketers in streamlining their internal operations and delivering greater value to the customers.

Electronic Fund Transfer (EFT) and Electronic Clearance Service (ECS) schemes have been introduced by the Reserve Bank of India. EFT enables the quick transfer of funds on the same day or by the next day. ECS is used for both credit and debit clearing. M-commerce or mobile commerce is another emerging trend. Customers can send SMS messages to banks to get information. This service is available for viewing account balance and transaction details, requesting issue of new cheque books, etc.

Banks can also opt for self-regulation, by voluntarily adopting a code of conduct that has been laid down by the Banking Codes and Standards Board of India (BCSBI), Post liberalization, the insurance industry has seen a lot of changes. Insurance marketers have introduced new

products. Micro-insurance, film insurance, health insurance, and specific insurance products for women, are some emerging avenues for insurance marketers.

What is a universal bank?

A **universal bank** is a bank that combines the three main services of banking under one roof. The three services are **wholesale** banking, **retail** banking, and **investment** banking. In other words, it is a retail bank, a wholesale bank, and also an investment bank. As well as being able to offer an all-encompassing service, universal banks can reap the synergies that exist when they operate in the three services simultaneously.

A universal bank, logically, offers universal banking. Universal banking is a type of financial service that combines the aspects of investment, retail, and wholesale banking.

BNP Paribas, Deutsche Bank, Morgan Stanley, and JP Morgan Chase, for example, are universal banks. Citigroup, Bank of America, UBS, Credit Suisse, HSBC, and Barclays are also universal banks. In fact, the twenty largest banks in the world are all universal banks.

Revolutionary AI-driven Marketing Trends in Insurance for 2020

Insurance consumers around the globe are seeking convenience and expecting better customer experience. From millennials to Gen Z, with the agile connectivity, irrespective of the industry has numerous options to choose from. As the competition intensifies the insurance industry has to jump into the bandwagon of “technovation” in order to provide improved accuracy, cost-saving and excellent customer experience.

Here is a list of the marketing trends in insurance that will prove to be a game-changer in the year 2020.

1. Robo Financial Advisors

2. Data Integration: The Future of Marketing

3. AI-driven Copywriting

4. Gamification of Insurance

5. Advanced AI Capabilities in Insurance

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