INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF BUSINESS MANAGEMENT

END OF SEMESTER EXAMINATIONS - APRIL 2025

PROGRAMME: BBA
YEAR/SEM: YEAR 3/SEMESTER 1
COURSE CODE: FIN 3102
NAME: BANK MARKETING

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

Section A is Compulsory

Question 1:

Case Study 1: Customer Retention Strategy in a Retail Bank

Scenario: A retail bank has been facing a decline in its customer retention rate. Many customers are leaving for competitors, citing poor customer service, lack of innovation, and higher fees for traditional banking services. The bank's management is concerned about the increasing churn rate and wants to take measures to improve customer retention.

Question

a) What strategies should the bank implement to improve customer retention? (20 marks)

b) explain the key strategy the bank manager can take to reduce churn rate in the bank? (20 marks)

Question 2:

Case Study: Revitalizing the "Union Trust Bank"

Company Background:

Union Trust Bank (UTB) is a commercial bank that has been in operation for 30 years. The bank originally built its reputation on providing excellent customer service, personalized banking experiences, and fostering close relationships with the local community. However, over the last five years, UTB has faced significant challenges that have led to a steady decline in its financial performance, customer base, and market share.

The key problems UTB faces include:

- Declining Customer Trust: Many customers have left UTB due to

poor digital services and outdated banking technology. The bank’s competitors have introduced mobile banking apps, digital payments, and online account management, which UTB has not yet fully embraced.

- Low Customer Acquisition: UTB has struggled to attract new customers, particularly younger and tech-savvy individuals, as well as businesses seeking modern banking solutions.
- Ineffective Marketing Strategy: UTB's marketing efforts have been outdated and lack focus. The bank primarily relies on traditional advertising like newspaper ads and billboards, which have proven ineffective in reaching younger audiences.
- High Operational Costs: UTB’s branches are underutilized, and the bank still operates a significant number of physical locations with high overhead costs. The lack of streamlined operations contributes to inefficiencies and rising expenses.

Questions:

a) How can Union Trust Bank modernize its service offerings and improve its digital presence to regain customer trust and attract new customers? (10 Marks)

b) What marketing strategies should UTB adopt to reach a broader, more diverse audience, especially younger generations and businesses? (10 Marks)

c) How can Union Trust Bank streamline its operations to reduce costs and increase operational efficiency without compromising customer service? (10 Marks)

d) What strategies should Union Trust Bank use to rebuild its customer base and improve customer retention, particularly among long-term clients who are considering leaving the bank? (10 Marks)

SECTION B

Answer any three Questions

Question 1:

What are the key factors that contribute to customer satisfaction in bank marketing? (20 marks)

Question 2:

How can banks leverage segmentation in their marketing strategies? (20 marks)

Question 3:

What are the primary challenges faced by banks in implementing digital banking services? (20 marks)

Question 4:

How can banks enhance their brand positioning in a competitive market? (20 marks)

Question 5:

What is the role of digital marketing in bank marketing? (20 marks)

Question 6:

What are the benefits of relationship marketing in the banking sector? (20 marks)

Question 7:

What role does customer feedback play in shaping bank marketing strategies? (20 marks)

Question 8:

How can banks use loyalty programs to increase customer engagement? (20 marks)

Question 9:

What strategies can bank use to target the millennial customer segment? (20 marks)

Question 10:

What is the impact of branch banking on the marketing strategy of a bank? (20 marks)

Question 11:

What marketing strategies should banks use to attract high-net-worth individuals (HNWIs)? (20 marks)

Question 12:

How can banks use partnerships to enhance their marketing efforts? (20 marks)

Question 13:

How can banks create an effective customer acquisition strategy? (20 marks)

Question 14:

What are the advantages of using content marketing for bank promotion? (20 marks)

Question 15:

What role does corporate social responsibility (CSR) play in a bank’s marketing strategy? (20 marks)