

**MARKETING STRATEGY OF NEPAL INVESTMENT BANK LIMITED  
AND SIDDHARTHA BANK LIMITED**

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## **RECOMMENDATION**

This is to certify that the thesis

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**Marketing Strategy of Nepal Investment Bank Limited  
and Siddhartha Bank Limited**

has been prepared as approved by this department in the prescribed format of faculty of management. This thesis is forwarded for evaluation.

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# **VIVA-VOCE SHEET**

We have conducted the Viva-Voce examination of the  
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**Marketing Strategy of Nepal Investment Bank Limited  
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and found the thesis to be the original work of the student and written  
according to the prescribed format. We recommended the thesis to be  
accepted as partial fulfillment of the requirement for

**Master Degree in Business Studies (MBS)**

## **VIVA-VOCE COMMITTEE**

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## **DECLARATION**

I hereby declare that the work done in thesis entitled "Marketing Strategy of Nepal Investment Bank and Siddhartha Bank Limited" Submitted to Balkumari College, Faculty of Management, Tribhuvan University is my original work. It is done in the form of partial fulfillments of the requirement of the degree of Master of Business studies (MBS) under the supervision and guidance of Mr. Bharat Khanal, Lecturer of Balkumari College.

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**Laxmi Dhakal**

**Bharatpur, Chitwan**

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## LIST OF ABBREVIATIONS

A/C	:	Account
ABBS	:	Any Branch Banking Service
AD	:	Anno Domini
ADBL	:	Agricultural Development Bank Limited
ATM	:	Automated Teller Machine
BoK	:	Bank of Kathmandu
CIBL	:	Citizen International Bank Nepal Limited
EBL	:	Everest Bank Limited
GBL	:	Global Bank Limited
HBL	:	Himalayan Bank Limited
i.e.	:	That is
INGO	:	International Non Government Organization
KBL	:	Kumari Bank Limited
LBL	:	Laxmi Bank Limited
MBL	:	Macchapuchhre Bank Limited
NABIL	:	Nabil Bank Limited
NBBL	:	Nepal Bangladesh Bank Limited
NBL	:	Nepal Bank Limited
NCC	:	Nepal Credit & Commerce Bank Limited
NGO	:	Non-Government Organisation
NIBL	:	Nepal Investment Bank Limited
NIC	:	Nepal Industrial & commercial bank Limited
NSBI	:	Nepal SBI Bank Limited
RBB	:	Rastriya Banijya Bank
SBL	:	Siddhartha Bank Limited
SCB	:	Standard Chartered Bank Limited
TU	:	Tribhuvan University

# CHAPTER I

## INTRODUCTION

### 1.1 Introduction

As we know Bank is a financial institution acts as an intermediary between the individuals who lend and who borrows the money. As per Findlay Shirras "Bank is the place of business where credits are opened by the deposit or collection of money or currency subject to be paid or remitted or loaned or stocks, bonds, bullion and bills of exchange and promissory notes are received for discount and sale."

A bank is an institution which collects money from those who have it spare or who are saving it out of their income and lends this out to those who require it.

"Every unit of money that is not kept in actual circulation or not hoarded but is deposited in banks." (Shingh, p-24, 2004)

"Bank is an establishment which makes to individuals such as advances of money as may be required and safety made to and to which individuals entrust money when they not required by them for use." (Somashekar, p-119, 2004)

Therefore, Bank is a financial institution that collects idle funds, mobilizing them into productive sector, which in return turns out to be an overall development of the country depending on the performance of the bank.

A bank is an institution, which deals in money, receiving it on deposit from customers, honoring customer's drawings against such deposits on demand, collecting cheques for customers and lending or investing

surplus deposits until they are required for repayment. In the present days, various types of banks are established, for instance, industrial bank, commercial bank, agricultural bank, joint stock bank, cooperative bank and development bank. Modern banks are more advanced than the ancient ones. Banks are providing various kinds of debit card, credit and prepaid cards for easy deposits, withdrawals and payments. This is because of the growth in population , changes occurred in the industrial field and trade , the beginning of the competitive age and changes in the people's ideology and due to the dependence on each other.

### **1.1.1 Evolution of Bank**

The word Bank developed from Italy. Bank was called BENKO in Italian terms, which, later on, started to be called Bank by Englishmen, and this spread all over the world. In Italian language BENKO means BENCH. In ancient time, Sunar and Saraphi were exchanging money by putting on the bench. For this reason, the banking carries out the work of exchanging money, providing loans, accepting deposits and transferring the money. Thus, Modern banking system originated in Medieval period from Italy. The first bank called “Bank of Venice” which was established in Venice in Italy in 1157 A.D. to finance the monarch in wars. But the modern banking started after the introduction of banking act 1883 A.D. at United States of America. So, this trend of banking slowly began to increase and spread initially all over the world.

### **1.1.2 Development of Bank in Nepal**

In Nepal on the preliminary stage, Prime Minister Ranodip Singh established “Tezarath Adda” in 1877 A.D. in Kathmandu, which was fully subscribed by the government and used to grant loan for

government employees. This played a vital role in banking system. This establishment helped the general public to provide credit facilities at very low interest rate but only the collateral of gold and silver. Several branches were opened in different part of the country. Tezarath Adda did not accept any deposit that may be the main reason it faced many financial problem in absence of saving mobilization.

Secondly, the need of banking institution was realized and in the year 1937 A.D. “Nepal Bank Limited” was established as the first banking institution. It is the first bank in the banking history of Nepal. Then the essentiality of another bank was realized to control over all the financial aspect of the country and “Nepal Rastra Bank” as the country’s central bank was established in 1956 and then “Ratriya Banijya Bank” the second commercial bank was established in 1966. After 1984 the government gradually liberalized and opened up the financial sector, resulting in the rapid entry of the foreign banks. Later, with the grand opening of Nabil Bank Ltd. in 1984 other commercial banks started emerging in the private sectors. As a result now there are altogether 28 commercial banks operating at different parts of the country.

Thirdly, at present, the banking sector is more liberalized and there are various types of bank working in modern banking system. This includes central, development and commercial banks. Evolution of the information technology has revolutionized the banking sector is saving lots of time and money by implementing IT. Technology has changed the traditional method of the services of bank. Invention of different software and hardware, which are very essential and available for functioning bank such as Banking software, ATM, E-banking, Mobile Banking and card like Debit card, Credit card, Prepaid card etc which helps the customer as well as banks to operate and conduct their activities more efficiently and

effectively. This helps bank to generate more customers, goodwill and profit.

Lastly, it is estimated that today's banking sector besides of these developments in banking sector of Nepal, there are only few banks working in rural sector.

### **1.1.3 Classification of financial institution in Nepal**

<b>Institutions</b>	<b>No. of institutions</b>
Commercial Banks	28
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As my thesis is mainly concerned in Nepal Investment Bank Limited and Siddhartha Bank Limited, I am trying to give some information of these banks:

### **1.1.4 Nepal Investment Bank Limited (NIBL)**

After liberalization many Banks started coming in Nepal. Nepal Investment Bank Ltd. (NIBL), previously Nepal Indosuez Bank Ltd., was established in 1986 as a joint venture between Nepalese and French partners. The French partner (holding 50% of the capital of NIBL) was Credit Agricole Indosuez, a subsidiary of one the largest banking group in the world.

With the decision of Credit Agricole Indosuez to divest, a group of companies comprising of bankers, professionals, industrialists and businessmen, has acquired on April 2002 the 50% shareholding of Credit Agricole Indosuez in Nepal Indosuez Bank Ltd.

The name of the bank has been changed to Nepal Investment Bank Ltd. upon approval of bank's Annual General Meeting, Nepal Rastra Bank and Company Registrar's office with the following shareholding structure.

- A group of companies holding 50% of the capital
- Rashtriya Banijya Bank holding 15% of the Capital.
- Rashtriya Beema Sansthan holding the same percentage.
- The remaining 20% being held by the General Public (which means that NIBL is a Company listed on the Nepal Stock Exchange).

NIBL is managed by a team of experienced bankers and professionals having proven track record with the following Vision, Mission, Value and Ethics.

### **Vision**

“To be the most preferred provider of Financial Services in Nepal”.

### **Mission**

To be the leading Nepali bank, delivering world class service through the blending of state-of-the-art technology and visionary management in partnership with competent and committed staff, to achieve sound financial health with sustainable value addition to all stakeholders. It is committed to do this mission while ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance.

### **Core Values and Ethical Principles**

Core Values tell that the customers and the communities served are; what they are about; and the principles by which it pledge to conduct business.



In essence, it believes that success can only be achieved by living with their core values and principles. These are customer focus, quality, honesty and integrity, belief in people, teamwork, good corporate governance and corporate social responsibility.

### **Strategic Objectives**

- To develop a customer oriented service culture with special emphasis on customer care and convenience.
- To increase market share by following a disciplined growth strategy.
- To leverage its technology platform and pen scalable systems to achieve cost-effective operations, efficient MIS, improved delivery capability and high service standards.
- To develop innovative products and services that attracts targeted customers and market segments.
- To continue to develop products and services that reduces cost of funds.
- To maintain a high quality assets portfolio to achieve strong and sustainable returns and to continuously build shareholders' value.
- To explore new avenues for growth and profitability.

### **Head Office and the Branches**

Head Office of Nepal Investment Bank is located at Darabarmarga, Kathmandu. This bank has opened many branches in Nepal to provide banking services efficiently and continuously. The branches are interconnected through Anywhere Branch Banking System (ABBS), a facility which enables its customer to do banking transactions from any of

these branches irrespective of their having account in other branches.

Nepal Investment Bank has 39 branches at the following location:

1. Head office & Main Branch, Durbar Marg, Kathmandu.
2. Seepadole Branch.,Suryabinayak, Bhaktapur
3. Birgunj Branch, Adarsanagar, Birgunj.
4. Pulchowk Branch, Pulchowk, Lalitpur.
5. Banepa Branch, Banepa, Kavre.
6. Biratnagar Branch, Golcha Chowk,Biratnagar
7. Jitpur Branch, Jitpur Bara
8. Newroad Branch,Newroad Kathmandu.
9. Butwal Branch, Traffic Chowk,Butwal
10. Bhairahawa Branch,Maitri road, Bhairahawa.
11. Pokhara Branch,Chiplehunga,Pokhara.
12. Putalisadak Branch,Putalisadak,Kathmandu.
13. Narayangarh Branch, Pulchowk, Narayangarh, Chitwan.
14. Janakpur Branch,Millsarea Janakpur.
15. Nepalgunj Branch,Dhamboji,Nepalgunj.
16. Thamel Branch,Chaksibari,Thamel.
17. Kalimati Branch,Kalimati Chowk,Kathmandu.
18. Birtamod Branch,Traffic Chaowk,Birtamod.
19. Battisputali Branch, Battisputali, Kathmandu.
20. Dhangadi Branch, Mainroad Dhangadi.
21. Gongabu Branch, Gongabu Chowk, Kathmandu.
22. Surkhet Branch,Netachowk Surkhet.
23. Jumla Branch, Khalanga Bazaar, Jumla.
24. Boudha Branch, Boudha , kathmandu.
25. Hetauda Branch, Bankroad, Hetauda.
26. Palpa Branch, Tansen, Palpa.
27. Lukla Branch,Chaurikharka,Lukla.

28. Dhumbarahi Branch, Peepalbot chowk, Kathmandu.
29. Naya Baneswor Branch, Naya Baneswor, Kathmandu.
30. Bhotahiti Branch, Bhotahiti Kathmandu.
31. Tulsipur Branch, Tulsipur, Dang.
32. Tripureswor Branch, Tripureswor Kathmandu.
33. Damauli Branch, safasadak, Damauli.
34. Krishnanagar Branch, Krishnanagar, Kapilvastu.
35. Gaighat Branch, gaighat, Udaypur.
36. Lazimpat Branch, Lazimpat Kathmandu.
37. Parsa Branch, Parsa, Chitwan.
38. Marajgunj Branch, Maharjgunj, Kathmandu.
39. Lalbandi Branch, Lalbandhi, Sarlahi.

[www.nibl.com](http://www.nibl.com)

#### **1.1.5 Siddhartha Bank Limited (SBL)**

Siddhartha Bank Limited (SBL) commenced operations in 2002. The Bank is promoted by a group of highly reputed Nepalese dignitaries having wide commercial experience. It provide a full range of commercial banking services through its ten branches established in Kathmandu, Birgunj, Biratnagar, Pokhara, Damak, Narayangarh and Patan.

The environment of Nepalese banking sector is undergoing a rapid transformation. With liberalization in financial markets and integration of domestic market with external markets, bank operations have become more complex and dynamic. It is geared to meet the challenges and keep abreast with the changes.

The Vision statement of the Bank describes the core values and purposes that guide the Bank as well as an envisioned future. Fundamentally, in all dealings SBL earnestly believes in transparency, financial soundness, efficiency and better technology.

## **Vision**

SBL's vision is to be financially sound, operationally efficient and keep abreast with technological developments. The Bank firmly believes customer focus is a core value, shareholder prosperity is a prime priority, employee growth is a commitment and economic welfare is a sincere concern.

## **Mission**

The Bank wants to be a leader among the banks of its age in Nepal by fulfilling the interest of the stakeholders and also aims to provide total customer satisfaction by way of offering innovative product and by developing and retaining highly motivated and committed staff. It directs all its efforts to move ahead with increased profits. The following mission statement is a guide to meet the Vision of the Bank:

- As a first step, SBL will strive to be in a leading position amongst the banks of its age in terms of profitability, productivity and innovation.
- SBL aims at total customer satisfaction by rendering efficient and diversified financial services through improved technology.
- SBL will build a highly motivated and committed team of staff by nurturing a good work culture to achieve superior individual performance aiming to enhance organizational effectiveness.
- SBL will be the place of pride to all its stakeholders.

As other banks SBL also collects deposits, and does international banking including trade financing, inward and outward remittances and funds and portfolio management. Siddhartha Bank Limited has gone to public share and total of 100%, 70% of the total share is taken by Promoters and 30% is distributed to general public.

Siddhartha Bank Limited's head office is located at Kamaladi, Kathmandu. The bank has opened branches in Nepal to provide banking services efficiently and continuously. This bank has opened branches in major cities in Nepal and they all are interconnected through Anywhere

Branch Banking System (ABBS), a facility which enables its customer to do banking transactions from any of these branches irrespective of their having accounts in the other branch. SBL has 25 branches at the following locations:

1. Corporate Office, Hattisar, Kamaladi, Kathmandu.
2. New Road Branch Dharma Path, New Road, Kathmandu.
3. Tripureshwor Branch, Tripureshwor, Kathmandu.
4. Birgunj Branch, Adarshanagar, Birgunj, Nepal.
5. Biratnagar Branch, Mainroad, Biratnagar, Nepal.
6. Pokhara Branch New Road, Pokhara, Kaski.
7. Damak Branch, Damak 13, Jhapa.
8. Narayangarh Branch ,Sahidchowk, Bharatpur-4, Chitwan.
9. B&B Extension Counter, Gwarko, Lalitpur.
10. Patan Branch, Patan Dhoka, Lalitpur.
11. Old Baneshwor Branch, Old Baneshwor, Kathmandu.
12. Tikapur Branch, Main Road, Tikapur, Kailali.
13. Dhangadhi Branch, Main Road, Dhangadhi, Kailali.
14. Mahendranagar Branch, Bhimdattanagar, Kanchanpur.
15. Butwal Branch, Butwal Municipality-11, Milanchowk.
16. Bhairahwa Branch, Siddharthanagar-12, Prahari Tole
17. Thamel Branch, Mandala Deep Complex, Thamel, Kathmandu.
18. Tinkune Branch, Tinkune, Kathmandu.
19. Kumaripati Branch, Kumaripati, Lalitpur.
20. Nepalgunj Branch, Dhambogi Chowk, Nepalgunj
21. Tulsipur Branch, Bp Chowk, Tulsipur Dang.
22. Ghorahi Branch, Shaid Chowk, Ghorahi, Dang.
23. Gongabu Branch, Gongabu, Kathmandu, Nepal.
24. Kalanki Branch, Kalanki Kathmandu, Nepal.
25. Gatthaghar Branch, Madhyapur Thimi, Gatthaghar, Bhaktapur.

[www.siddharthabankltd.com](http://www.siddharthabankltd.com)

## **1.2 Statement of Problem**

As we are studying about the marketing strategy of the commercial banks in Nepal mainly focused in NIBL and SBL, first of all we have to study about the customer satisfaction and the service provided by the bank to the customers. Banks are service oriented business firms. The problems mainly faced in the case of NIBL and SBL are:

- Are the Banks were providing the services and products that fulfill the customer's needs?
- Have the Banks done the research to customers when they launch the new product to the market?
- Are the marketing strategies made by bank focused to customers or not?

## **1.3 Objective of the Study**

As we know Banking is a service oriented business and customer satisfaction is the main motto in this period. We are mainly focusing on the marketing strategy of Nepal Investment Bank Limited and Siddhartha Bank Limited thus the main objective of this study is to know how these banks have done the marketing efforts to gain the customers goodwill and customers satisfaction as well as their future plans to attract more customers and give them satisfied banking. The main objective of this study is listed below:

- To analyze the current marketing strategy of the Banks.
- To analyze the products launched by the commercial Banks in the market.
- To identify the customer satisfaction and the feedback taken by the commercial banks.
- To evaluate the marketing efforts done by banks and corrective actions.

#### **1.4 Research Questions:**

The basic research questions used this report are follows.

- Why do people go to Banks?
- What services of the banks attract people?
- Is the service provided by the bank satisfies the people?
- Are the products lunched by bank are suitable for the market?
- Do the competition of the bank market benefits customer?

#### **1.5 Importance of the Study**

After liberalization many banks came in Nepalese market. Nepal Investment Bank Limited and Siddhartha Bank Limited are also two of them. There are 28 commercial banks working in Nepalese market and competition is elevated at very high extent. This competition has invented many new products as needed by the customers. Banks are developing new products and services with the help of new modern technologies which are as per the needs of customers. This study is mainly focused in marketing strategy and the efforts done by the banks to gain superior customers for long period of time. This study gives the knowledge about the customers, their needs, way to achieve the needs, strategy to cope the needs, customers' satisfactions, feedback, competitors' plans, focused groups etc. This study helps to make new strategy for the market as well as to modify the present strategy if so needed.

#### **1.6 Limitation of the study**

The limitations of the study are as follows:

- This study is focused in two banks only which may be insufficient to judge all the commercial banks of Nepal.
- This study is only focused in marketing strategy of these two banks, which cannot show the whole scenario of these banks.
- Source of data is primary and secondary and these data were collected only from Katmandu valley.

## **1.7 Organization of the Study:**

The study is divided in to five chapters.

### **Chapter I: Introduction**

Chapter I concentrate on introduction part of the study. It includes background of the study, evaluation of the bank, development of the bank in Nepal, Introduction of sample banks, statement of the problem, objective of the study, research questions of the study, importance of the study & limitation of the study.

### **Chapter II: Review of literature**

This chapter mostly consists of two types of review i.e. theoretical review previous research work and conceptual review of marketing. It also contains marketing strategy of commercial bank with the theoretical preposition of review of previous research work, dissertation & articles. Due to various constraints only important and relevant literatures are reviewed. And finally research gap is presented.

### **Chapter-III: Research Methodology**

This chapter contains the research methodology followed to achieve the purpose of this study. It includes research design, population and sampling, nature & source of data, period covered, collection method and instrument of data processing and SWOT Analysis.

### **Chapter IV: Analysis and Interpretation of Data:**

In this chapter, collected data through various sources have been presented in no of required tables, analyzed & interpreted by the help of various mathematical, statistical & analytical tools & techniques.

### **Chapter V: Summary, Conclusion & Recommendations**

The Fifth chapter contains with the Summary & Find with necessary suggestions for the improvement of the Marketing Strategies of Banks.

In addition, appendices & bibliography have also been included in the concluding part of dissertation.



## **CHAPTER II**

### **REVIEW OF LITERATURE**

This chapter deals on the literature related to the topic. In this chapter we will comprehensively review the recent and relevant literature and explore the background of the work. We will find how many research has done in this particular field as well as what are the problems still to find and solve. In this chapter we will review the marketing strategy of all commercial Banks and their deposits and lending in the market.

#### **2.1 Theoretical Review**

##### **2.1.1 A View of Marketing:**

In a simple word, Marketing is a process of buying and selling of products and services. Marketing is the anticipation, stimulation, facilitation, regulation and satisfaction of customers and public's demands for products, services, organizations, people, places and ideas through the exchange process.

There are different types of markets and also different types of products and services & persons. So, marketing is such a technique by which a products and services produces by the seller will be sold. In this globalization period, marketing is also essential because the product manufactured in one country is sold to another country and people are only instigated to buy the products if the promotion of product is properly done in the market.

Few years ago marketing was focused on product. They think product will find the buyer. But, from some years marketing is done for customer. Manufacturer

produces the goods and services in view of customer's demands. Thus nowadays customers are given a huge priority.

Marketing involves products (Durable & Non Durable), service, organizations, peoples, places, and ideas. The marketing process is not complete until consumers and publics exchange their money, their promise to pay, or their support for the offering of the firm, institution, person, place or idea.

### **2.1.2 Some Definition of Marketing**

"Marketing is a social and managerial process by which individuals and groups obtain what they need and what through creating, offering, and exchanging products of value with others" [Philip Kotler, p-1, 1991]

"Marketing is a total system of business activities designed to plan, price, place, promote and distribute want-satisfying products, services, and ideas to target markets in order to achieve organizational objectives." [Stanton and Futrell, p-2, 1996]

"In this modern age marketing deals in selling of satisfaction in the form of products and services by a seller and customers also demands to buy the satisfaction." [Adhikari, p-1, 2058 B.S.]

"The aim of marketing is to identify customers needs and to meet these needs so well that the product almost "sell itself"." [Carthy and Perreault, p-2, 1984]

After studying the above we can find under mentioned components in the marketing definition:

- Marketing activities like product planning and development, pricing, distribution, Promotion done by individuals, organizations, and groups.
- Need Satisfaction deals in the satisfaction of customers.

- Organizational objectives: All the profit and non-profit organization has their objectives. Some are focused on service proving and some are on profit.
- Transfer of ownership will be done after completion of selling.
- Money equals to satisfaction
- Exchange relationship "Marketing comprises both buying and selling activities." Pyle

### 2.1.3 Concepts and Principles of Marketing

- **The Production concept:**

Emphasis on production, *more production less cost by which the products can easily be sold*. In 1930s this concept was formed and many industrialists implemented this concept and produced more than customers demanded.

- **The Product concept:**

Emphasis on product, *Good and standardized product can easily rule on market*. Managers are motivated to produce standardized, good quality, products to market.

- **The Selling concept:**

Emphasis on marketing, *If you do best marketing in the market for the promotion of product, the product will be sold on large quantity*. This concept forces on sales promotion, personal selling and advertisement. This concept was popular on 1950's.

- **The modern marketing or consumer concept:**

Emphasis on customer, *Customers are god and customer's satisfaction is the most plus point*. The production was done as per the customer's demand.

- **The societal marketing concept:**

Emphasis on society, *All the business is done on society and we all are the member of society.* So the production manager produces the products without any harmfulness in the society. Like reducing noise pollution, water pollution, air pollution etc. The entire business firm has to obey the social responsibility because they are also the member of society and a business can only survive if the firm obeys this rule.

Thus we know that in past the concept of marketing was changing timely.

#### **2.1.4 Basic Principles of Marketing Concept**

The basic principles of marketing are given as follows:

➤ **Target Market:**

The salesman has to certain where is he going to sale his goods, because he cannot satisfy every category of needs of the market. An organization can do better if it can define the boundaries of its operation and follows a market tailored business strategy.

➤ **Integrated Marketing:**

All process on the marketing concept has to be integrated on customers and market. Then all functions of marketing like planning, promotion, research, distribution, public relation etc have to focus on customer satisfaction.

➤ **Customer Orientation:**

Marketing concept was mainly focused on consumer satisfaction. A Manager must have to define the customer needs in customer's point of view.

➤ **Objective Achievement:**

The sales man and a promotion manager have to form his goal. Profit is the main priority of every sales and promotion manager but they have also look after the customer satisfaction.

➤ **Effective Public Relations:**

Effective public relations can also increase and decrease selling. There is opinion that leader, social leader, Religion leader, political leader, and high standard service men can change the sales of any product.

➤ **Market Information and Research:**

Market is always changing as the change of habit in customers. So, the sales manager has also to modify or change the product as changes in market. Due to this, a marketing manager always has to research the market and get necessary information of the product.

### **2.1.5 Marketing Mix & Its Components**

The main function of marketing is to produce the things of customer demands and sell it to market for customers' satisfaction. And for this a business men has to know about this marketing mix:

- Product
- Price
- Place
- Promotion

This marketing mix is also known as four P's.

"Marketing mix is the set of Marketing tools that organizations to pursue their marketing objectives in the target market." [Dr. Agrawal, p-65, 2000]

"Marketing mix is the controllable variables which the company puts together to satisfy its target market." [Carthy and Perrault, p-44, 1984]

"Marketing mix is the marketing programs including product conception and development, pricing decisions, promotion of the product, and distribution to consumers." [Bennett, p-42, 1988]

### **2.1.6 Components of Marketing Mix**

These are the main components of marketing mix.

#### **➤ Product Mix:**

This mix includes decision of product line and mix, quality of product, warranty of product, variety of product, packaging of product, design, branding.

#### **➤ Price Mix:**

This mix includes pricing of products, payment mode, cash, credit, discount etc. The manager has to quote the price of the product which the buyers can pay.

#### **➤ Place Mix:**

This mix includes the channel of distribution of the goods and services, networks, dealers and wholesalers, and physical distribution of the products.

#### **➤ Promotion Mix:**

This mix includes promotion of the product and services in the market like advertising, direct selling, sales promotion, publicity, and public relations. This mix helps to popularize the products and services in the market by which customers are emphasized to buy the product or services.

### **2.1.7 Bank Marketing & Strategy**

Strategy is the bridge that relates the capabilities of organization with its objectives. All the profit and non-profit organization, Government and non government organization have a goal to achieve. And for this purpose they all make a strategy to achieve the goal. As a commercial bank is a service oriented business firm with profit motive, it collects deposits and lends them to earn profit. In this line a strategy of the Banks are focused to collect the deposits and lends them.

### **2.1.8 Marketing Strategy**

Strategy is related with competition. We find many competitors in the market in this globalized time. So a marketing manager has to make a right decision and right strategy to survive in the market.

"Stated in simple terms, Marketing Strategy is the complete and unbeatable plan designed specifically for attaining the marketing objectives of the firm. The marketing objectives indicate what the firm wants to achieve; the marketing strategy provides the design for achieving them." [Ramaswamy and Namakumari, p-56, 1988]

"The strategic marketing plan develops broad marketing objective and strategies. It is based on an analysis of the current market situation and opportunities in the environment." [Dr. Agrawal, p-69, 2000]

"Market oriented strategic planning is the managerial process of developing and maintaining a viable fit between the organizations objectives, skills and resources and its changing market opportunities." [Kotler, p-119, 1991]

Thus we knew that marketing strategy is a chain of works that can achieve the goal and target. Under mentioned works are done to make a marketing strategy:

### **A: Selecting the target market:**

All the level of persons cannot be a customer of the product and services. Due to difference in age, religion, paying capacity, geographical view, gender etc the marketing strategy was affected. Like a salesman cannot sell a winter jacket in summer and summer cloths in winter. Thus a marketing personal has to choose the target market and person where and to whom the product and service to be sold, after that he has to do the strategy of marketing.

Banks also choose the target customers to promote their products and services. Like some banks have focused on ladies by promoting ladies saving account (Griha Laxmi Bachat Yojana), children education funds (Education Loan) etc. These products are focused on some groups of commodities. And response is also positive.

### **B: Assembling the Marketing Mix:**

**In this process the sales personal has to assemble the marketing mix in that way by which he can make a rational profit with customer satisfaction. New product needs more promotion than old products.**

#### **2.1.9 Definition of Bank:**

The bank mean establishment authorized by a government to accept deposits, pay interest, clear checks, make loans, act as an intermediary in financial transactions, and provide other financial services to its customers. In other word it is a financial institution that is licensed to deal with money and its substitutes by accepting time and demand deposits, making loans, and investing in securities. The bank generates profits from the difference in the interest rates charged and paid.



### **2.1.10 Role of Banks and Their Functions:**

"A Financial intermediary accepting deposits and granting loans; offers the widest menu of services of any financial institution." [Rose, p-20, 2002]

Banking is an essential industry. It is where we wind up when we are seeking a loan to purchase a new automobile, tuition for college or trade school, financial advice or how to invest our savings, credit to begin a new business, a safe deposit box to safeguard our valuable documents, or even more commonly, a checking account or credit card to keep track of when and where we spend our money. This industry, imposed of thousands of firms worldwide, literally affects the welfare to other every industry and the economy as a whole. Healthy Bank and healthy economies just go together.

Today banking is an industry in change. Rather than being something in particular, it is continually becoming something new, offering new services, merging and consolidating into much larger and more complex businesses, adopting new technologies that seem to change faster than most of us can comprehend, and facing a new and changing set of rules as more and more nations cooperate to regulate and supervise the banks that looks as if their citizens.

Worldwide, banks grant more installments loans to consumers than other financial institution. In most years, they are among the leading buyers of bonds and notes issued by governments. Banks are among the most important sources of short term working capital for businesses and have become increasingly active in recent years in making long term business loans for new plant and machinery.

Banking is one of the most regulated businesses in the world. No one can start a bank without government's permission and no one can close a bank without the government's approval.

**The various roles played by banks in economy are given below**

**A: The Intermediation Role:**

Transforming saving received primarily from households into credit (loans) for business firms and others in order to make investments in new buildings, equipments and other goods.

**B: The payments role:**

Carrying outs payments for goods and services on behalf of their customers (such as by issuing and clearing cheque, wiring funds, providing a channel for electronic payments and dispensing currency and coins).

**C: The guarantor role:**

Standing behind their customers to pay off customer's debts when those customers are unable to pay (such as by issuing Letters of Credit).

**D: The risk management role:**

Assisting customers in preparing financially for the risk of loss to property or person.

**E: The saving/investment advisor role:**

Aiding customer in fulfilling their long-range goals for a better life by building, managing and protecting savings.

**F: The safekeeping/certification of value role:**

Safeguarding a customer's valuables and appraising and certifying their true market value.

**G: The agency role:**

Acting on behalf of customers to manage and protect their property or issue and exchange their securities (usually provided through the bank's trust department).

## **H: The policy role:**

Serving as a channel for government policy in attempting to regulate the growth of the economy and pursue social goals.

We know Nepal is least developed country and around 80% of the peoples are engaged in agriculture. The economic sector of Nepal was boomed after restoration of democracy. But because of the armed conflict from 2052 till 2063, Nepal's economy also suffered. In addition to that lack of knowledge, education, and technical knowledge also helped to deteriorate the Nepalese Economy. In addition to that recent global recession has also negatively influenced on the Nepalese Economy.

Nepal is land locked country situated in between two great countries India and China. Despite of being rich in natural resources, it is categorized as a developing country. For domestic resources mobilization and economic development of the nation banking institution definitely contribute and play vital role to build up the confidence to business for promoting their business and industrialist for encouraging opening new industries. It is a resource for economic development. It maintains economic confidence of various segments and extents credit to people.

Government initiated some corrective measures to stabilize the economy with the assistance of international monetary fund stand by arrangement in the 1980. In financial year 1985, in subsequently embarked upon the structured adjustment program encompassing measures to increase domestic resource mobilization strengthen financial sector and liberalize industrial and trade policies. Since then, several financial institution and commercial joint venture banks are established under the process of liberalization policy for economic development of the nation.

Before 1974, no any foreign joint venture bank come into existence in the country, there were no provision made in the old commercial bank act

which facilitated the country of the joint venture bank in Nepal. The new commercial bank act 1974 has however made provision to permit foreign banks to operate in the country by obtaining the approval of the Nepal Rastra Bank.

### **Types of Banks:**

Banks differ in the services they provide and in how they are owned. Many financial experts use the word bank to a commercial bank. These experts believe that savings banks, building societies and credit unions are not true banks because they do not perform all the function of commercial banks. Savings banks building societies and credit unions are in business to encourage saving.

#### **A: Central Bank:**

Central bank in every country is first & foremost banker of the government. It does not lend money to general public. It ensures that the government has the money to pay the bills. It also makes sure that the government's monetary policy is carried out by controlling money supply. The central bank is responsible for issuing of currency, and often for the design and printing of notes and the minting of coins. It buys and sells foreign exchange currency and intervenes to protect its country's own currency. By changing interest rates, central bank also affects exchange rates.

#### **B: Commercial Banks:**

Commercial banks are the most numerous banks. They offer a full range of services, including current and saving accounts, loans, and trust services. They primarily serve the needs of business but also offer their

services to individuals. These banks are established to improve people's economic welfare and facility, to provide loan to the agriculture, industry and commerce and to offer banking services to the people and the country. These banks have been playing a great role for the economic development of the country directly or indirectly.

A shareholder's, that buy shares in it, owns a commercial bank. In return for investing in the bank, shareholders expect the bank to pay them cash dividend from its profit.

### **C: Saving Banks:**

Saving banks were created in the early 1800's as charitable institution to provide a safe place for poor working people to save for retirement. A bank established with the objective of managing a huge amount of capital by collecting the little amount of money saved by the people of urban and village areas are called saving bank. Such banks are opened with the purpose of encouraging the saving habit of the people. In such banks pre-information should be required to withdraw the money out of certain limitation. There is no facility of over draft in it. Laws ensure the safety of depositors' money by limiting the investment such banks can make and by insuring the deposits saving banks invest chiefly in mortgages and government bonds.

### **D. Investment Banks:**

Investment, or merchant banks, provides long-term loans and capital to industry. They also give advice to companies on such things as takeovers. In the United States, such activities may not be carried out by commercial banks. British merchants formed the first merchant banks in the 1800's.

Traditionally, the main business of merchant banks has been concerned with the acceptance of credit for the financing of international trade and rising of loans for overseas borrows by new capital issues. Recently, they have extended their interests over domestic financing.

### **2.1.11 Act for Banking and Financial Institutions**

#### **A: Nepal Rastra Bank Act 1955 A.D.**

All the banks and financial institution is incorporated under Rastra Bank Act 1955. Nepal Rastra Bank is the head bank of Nepal. Nepal Rastra Bank regulates, monitor and supervise other commercial Banks and financial institutions. Nepal Rastra Bank is the father of other Banks.

#### **B: Commercial Bank Act 2031:**

This act was come into existence on 2031 B.S. to supervise, monitoring and controlling other commercial Banks.

#### **C: Company Act 2053:**

This act was come into existence on 2053 B.S. All the Bank must be opened under company act and also obey the rules of this act. Bank can not be opened by one person or proprietorship firm.

#### **D: Bank and Financial Institution Act 2063:**

This act was come into existence on 2063 B.C. This act was changed annually. And all the banks and financial institution must have to obey the rules of this act. This act consists of what to do or what not to do by a bank and financial institutions.

**Table No. 2.1****Growth of Financial Institutions**

Types of Financial Institution	Number of Institutions Upto							Total
	1980	1985	1990	1995	2000	2005	2010	
Commercial Banks	3	1/4	2/6	4/10	4/14	4/18	9/28	28
Development Banks	1	-/1	-/1	-/1	4/5	15/20	53/73	73
Finance Companies	-	-	-	9	31/40	13/53	25/78	78
Micro Credit Development Banks	-	-	-	2	5/7	4/11	6/17	17
Saving & Credit Co-Operatives	-	-	-	3	13/16	NA/16	NA/16	16
NGO's (Performing Limited Banking Activities)	-	-	-	3	13/16	28/44	1/45	45
Total	4	5	7	28	98	162	193	256

*Source: Banking & Financial Statistics mid Jan 2010.*

We can see from the above figure that the financial institution is growing faster after restoration of democracy.

## **2.2 Commercial Bank**

The concept of evolved from the concept of commerce and bank actually denotes commercial bank. Commercial bank is that financial institution which deals in accepting deposits of persons and institutions and in giving loans against securities. Commercial bank also provides technical and administrative assistance to industries, trades and business. The first commercial bank and the first bank of Nepal started since 1994 B.S. in the name of the Nepal Bank Ltd. Again in 2022 B.S., Rastriya Banijya Bank was established under Rastriya Banijya Bank Act 2021. Since 2041 B.S. Agricultural Development Bank has also been allowed to serve

commercial functions. Other Bank and so many other banks after the restoration of democracy in the country have also been stabilized.

### **2.2.1 Functions of Commercial Bank**

- To accept deposits
  - Current Account
  - Saving account
  - Fixed Deposit Account
  - Call Deposits Account
  - Foreign Deposits Account
  - Other Accounts
- To provide loan
- To purchase bill/letter of exchange
- To transfer money
- To serve agency function
- To work for foreign currency exchange
- To open letter of credit
- To help in issuing capital



**Table No. 2.2**  
**Commercial Banks in Different Parts of Nepal**

<b>S.N.</b>	<b>Names</b>	<b>Operation Date</b>	<b>Head Office</b>
1	Nepal Bank Limited	1937/11/15	Kathmandu
2	Rastriya Banijya Bank	1966/01/23	Kathmandu
3	Agriculture Development Bank Ltd.	1968/01/02	Kathmandu
4	Nabil Bank Limited	1984/07/16	Kathmandu
5	Nepal Investment Bank Limited	1986/02/27	Kathmandu
6	Standard Chartered Bank Nepal Limited.	1987/01/30	Kathmandu
7	Himalayan Bank Limited	1993/01/18	Kathmandu
8	Nepal SBI Bank Limited	1993/07/07	Kathmandu
9	Nepal Bangladesh Bank Limited	5/6/1994	Kathmandu
10	Everest Bank Limited	1994/10/18	Kathmandu
11	Bank of Kathmandu Limited	1995/03/12	Kathmandu
12	Nepal Credit and Commerce Bank Limited	1996/10/14	Rupendehi
13	Lumbini Bank Limited	1998/07/17	Narayangarh
14	Nepal Industrial & Commercial Bank Ltd.	1998/07/21	Biaratnagar
15	Machhapuchhre Bank Limited	2000/10/03	Pokhara
16	Kumari Bank Limited	2001/04/03	Kathmandu
17	Laxmi Bank Limited	2002/04/03	Birgunj
18	Siddhartha Bank Limited	2002/12/24	Kathmandu
19	Global Bank Ltd.	2007/01/02	Birgunj
20	Citizens Bank International Ltd.	2007/6/21	Kathmandu
21	Prime Commercial Bank Ltd	2007/9/24	Kathmandu
22	Sunrise Bank Ltd.	2007/10/12	Kathmandu
23	Bank of Asia Nepal Ltd.	2007/10/12	Kathmandu
24	Development Credit Bank Ltd.	,2008/5/25	Kathmandu
25	NMB Bank Ltd.	,2008/6/5	Kathmandu
26	Kist Bank Ltd.	2009/02/21	Kathmandu
27	Janata Bank Ltd	2010/01/15	Kathmandu
28	Mega Bank Ltd	2010/06/25	Kathmandu

*Source: Different newspapers.*

## **2.2.2 Strategies of Commercial Banks**

We know all the government and non-government organizations, Banks, private firms, schools, and colleges have a target to achieve.

Commercial banks were focused on collections of deposits and utilizing them to get interest. For this, they have set different types to strategies given as follows:

- Deposits Collection Strategy
- Lending Strategies
- Service Strategies

### **2.2.2.1 Deposits Collection Strategies**

Deposits are the main source of funds for the commercial Banks. Banks collect deposits from individuals, local market, firms, government and non-government organizations, schools, colleges etc. Deposits are of two types:

- Interest bearing
  - Savings A/C
  - Fixed Deposits A/C
  - Call A/C
  - Foreign Deposits A/C
- Non-Interest Bearing
  - Current A/C

Commercial Banks have launched different products in the market for collection of adequate deposits. Deposits are the lifeblood to the commercial Banks. If there are no deposits, there is no lending.

Some Deposits Products launched by different Commercial Banks are as follows:

**A: Everest Bank Limited:**

**a: Normal Savings:**

- Interest: 3 % to 3.50% (Payable on monthly minimum balance & payable half quarterly.
- Unlimited deposits
- Unlimited Withdrawal
- Cheque Books
- ATM Card with one time charge of Rs.200 only (No renewal Charges required)

**b: Saving Premium Account:**

- Interest: 3.5% (Calculated on daily basis)
- Minimum balance outside the valley: Rs.50,000
- Minimum balance inside the valley: Rs.100,000
- Free EBL Debit cards
- Issuance of Saving Premium Card
- Exclusive Services for Saving Premium Card holder
- No commission on demand drafts up to Rs.1.00 Lac once in a month.
- Allotment of Safe Deposits Locker on Priority basis
- 50% discount on small locker and 15% discount on other lockers.
- Personal accidental Death Insurance of Rs. 3.00 lacs.

**c: Fixed Deposit:**

- Minimum Balance Rs. 10,000.00
- Interest payable on quarterly Basis

**d: Cumulative Deposit:**

- Minimum Balance Rs. 5,000.00
- Deposit Period: 6 months up to 10 years

- Maturity Value: Principal amount of Deposit with up to date interest shall be paid on maturity date.
- Interest Rate: As per the Fixed Deposit Rate
- Premature Cancellation: Allowed Loan/Overdraft: Allowed

**e: Unfixed Fixed Deposit Schemes:**

- Minimum Deposit Rs. 50,000.00
- Deposit Period: 6 months up to 10 years
- Interest Rate: as per Fixed Deposit Rate
- Maturity Value: Principle amount of Deposit with up to date interest shall be paid on maturity date.
- Premature Cancellation: Allowed
- Flexibility: You can withdraw up to 90% of your deposit by cheque and redeposit any amount without any restrictions
- Interest Rate on overdraft 1.5% above the deposit rate on actual usage.

**f: Recurring Deposit Plan (RDP):**

- Minimum Balance: Rs. 100 per month
- Deposit Period: 6 months to 10 years (in multiple of 3 months)
- Interest Rate: As per fixed deposit rate
- Maturity Value: Paid in lump sum at the time of maturity
- Loan: Allowed up to 75% of deposited amount
- Quarterly Compounding Interest

**g: Supreme Deposit**

- Offered to its customer for higher interest rate in fixed deposit account as well as higher interest rate on saving account.
- The Customer who open a fixed deposit account under supreme account are eligible to open a saving account up to 6.50% p.a and the interest on saving account is calculate on daily closing balance.

- The interest offered on supreme fixed deposit account and supreme saving account is as under

**Interest Rate Offered in Supreme Fixed Deposit Account**

Amount in Rs.	Interest Rate in %	
	1 year to below 2 years	2 years & above
Rs. 10.00 Lacs	8.00%	8.25%
Above 10.00 Lacs to 25.00 Lacs	8.25%	8.50%
Above 25.00 Lacs to 50.00 Lacs	8.50%	8.75%
Above 50.00 Lacs to 100.00 Lacs	9.25%	9.50%
Above 100.00 Lacs	9.50%	10.00%

**B: Siddhartha Bank Limited:**

**a: Normal Savings Account:**

- Interest 5%
- Minimum balance Rs.1,000.
- Free debit Card.
- Cheque issue on minimum balance of Rs.2,500.

**b: Special Savings Account:**

- Interest 4.25 %
- Minimum balance of Rs.50,000.
- Free debit Card.
- Free Accidental Insurance Coverage upto Rs.500,000.
- Discount on issue of Travelers cheques.
- Interest on daily balance.
- No restriction on withdrawal and deposits.
- 50% discount on home loan processing fee.
- Free account statement on request.
- Preference on locker facility.

**c: Siddhartha Remit Account:**

- Interest Rate: 5% per annum on daily for NPR account and 2.5% per annum on daily basis for USD account.
- Account can be opened with zero balance.
- Free debit Card.
- Free debit card.
- Free any branch banking services.
- Free internet banking and chequebook facility.
- No restrictions in withdrawals.
- Special discount on Hme and Personal Loan processing fee.
- No charges in TC sales to the account holders and their spouse and children.
- Travel loan against acceptable securities.

**d: Siddhartha Investor's Account:**

- Only for any equity investor investing on NEPSE listed equities.
- Other features remaining same as Siddhartha Normal Saving account.

**e: Fixed Deposits Account:**

- Interest 4.25%
- Maturity up to 6 months to 10 Years.
- Interest Payable Quarterly.

**f. 100 Days Fixed Deposit:**

- Interest Rate: 11% pa
- Maturity: 100 days
- Interest Payable at maturity

**g. Siddhartha Mega Saving**

Customer not willing to have fixed deposit can open Mega Saving Account. Customer having the following deposit will receive following interest.

- Below Rs50,000                      0%

- 50,000-500,000 4.25%
- 500,001-2,500,000 6.50%
- 2,500,001-5,000,000 7.50%
- 5,000,001-10,000,000 9.00%
- Above 10,000,000 10.00%

**C: Bank of Kathmandu Limited:**

**a: Kopila Bachat Yojana:**

- Higher Yield, Easy Procedure
- Long Term Saving Plans
- Minimum balance Rs.1,000.
- Focused for small children.
- Funding against the scheme.
- Pre-Liquidation.
- Medical and life insurance coverage

**b: Sajilo Bachat Khata:**

- Easy & hassle free account opening.
- Anywhere banking services at real time basis.
- Account operation at minimum balance of Rs.1,000.
- Extra banking hour services through evening counters.
- Sunday banking services.
- Non restricted transactions for deposits & withdrawals.
- Cheque book/Withdrawal Slip/ ATM for easy transaction.
- Debit card facility for transaction.
- Mobile phone bill payment services.

**c: Mero Bachat Yojana:**

- Affordable saving scheme i.e Rs.1,000.
- Easy transfer of funds.
- Long term saving plan (2 to 10 years)

- Higher yield
- Funding against the scheme.

**d: Grihalaxmi Bachat Khata:**

- Targeted to ladies.
- More interest rate
- Free ATM card, ABBS facility etc.
- No restriction of deposits & withdrawal.

This scheme is focused to lower middle class families. This account is easy to operate.

**e: BOK Premium Deposit**

- Minimum Balance: NPR. 2,100,000.00
- Tenure: 1 year / 2 years / 3 years
- Interest rate: 11% p.a.
- Interest Payment : Yearly
- Visa Credit Card (Optional)\*
- Loan against FD\*

**D: Nepal Investment Bank Limited:**

**a: E-zee Saving Scheme**

- 2.75% interest rate
- Lucky draw upto Rs. 50,000 per month
- Minimum balance Rs.50,000.00
- No key deposit amount for lockers
- Following free services: ABBS, ATM Cards, Telebanking, E-banking, Accidental Insurance, Privilege lounge, Unlimited Withdrawal.

**b: Pariwar Bachat Khata**

- Monthly minimum deposit Rs.500.
- Minimum balance Rs.2,500.



- Interest 3% p.a
- Maturity 3 yrs to 16 years.
- Accidental insurance Rs.50,000.
- 50% discount on locker facility
- Free ABBS charge.

**c: Ketaketi Bachat Khata**

- No Minimum balance.
- Visa electron debit card @ NPR 200.00 per annum, valid in Nepal and India.
- Discount Privilege card.
- Free eBanking facility-pay school fees online.
- ABBS facility.
- No maintenance charge.
- Free birthday cake for the account holder (minor).
- NPR 100 contribution from the bank as soon as the account is opened.
- Account for minors only (1 month -16 years).

**d: Social Deposit Account**

- Shares with society a little of what it achieves.
- Permits any INGO/NGO account holder to claim a share in the profits of the account.
- **Eligibility:**
  - All INGO/NGO who is registered with Social Welfare Council (SWC)
  - INGO/NGO engaged in non-profitable social work or charitable activities.
  - Maintain an annual average balance of USD 10,000 or NPR equivalent.
- **Benefits:**
  - Bank will contribute 50% of the earnings generated from your account on a semi-annual basis.

- A source of fund for your charitable activities can be locally raised.
- Additional project can be funded from locally raised funds.
- Reduction in funding burdens to the funding/donor agencies.
- Continue earning interest on your account.

**e: Afnai Bachat Khata**

- Minimum balance of NPR 1/-
- **Benefits:**
  - Visa electron debit card @ NPR 200.00 per annum, valid in Nepal and India
  - Free eBanking facility
  - Free ABBS within Kathmandu valley
  - No maintenance charge
- **Requirements:**
  - Citizenship Certificate and or any valid identification card issued by Nepal Govt.
  - Two recent PP size photographs.

**f: Ezee Student Account**

- Minimum balance of NPR 2,000/-
- **Benefits:**
  - Visa electron debit card @ NPR 200.00 per annum valid in Nepal and India
  - Free eBanking facility
  - ABBS facility
  - No maintenance charge
  - 50% waiver on TC issuance
  - 50% waiver on Draft

**g: NIBL Saving Bonanza**

- Upto NPR 5,000,000.00 (Interest rate @ 6.50% on daily balance \*)
- Above NPR 5,000,000.00 (Interest rate @ 7.50% on daily balance \*)

- Minimum Balance of NPR 1,00,000.00
- Interest on the daily balance
- Privilege Lounge
- Waiver of key deposit for lockers
- Free ABBS/ eBanking/ Visa Debit Card
- Unlimited deposits / withdrawals
- Free Utility Payment for Nepal Telecom Pre-Paid Recharge, Post Paid/PSTN Bills, Schools. ISPs, Cable networks, Insurance & Yeti Air eTicket
- Accidental Insurance

**E: NIC Bank**

**a: NIC Shikshya Kosh**

- Minimum balance Rs.100
- Interest rate 5% p.a.
- Scholarship for 5 lucky winners drawn on every 3 months.
- ABBS and money transfer charge free.
- Unlimited withdrawal
- 50% discount on issue of draft and travelers cheque.
- 25% discount on locker facility
- Free Debit Card.

**b: NIC Life Saving Accounts**

- 5% interest rate.
- Free life insurance up to Rs.100,000 to Rs.200,000 of accident coverage
- Gold coins for seven lucky winners every quarter.
- Free ABBS and inward remittance.
- NIC privilege counter facility
- 25% discount on locker facility.
- 50% discount on draft & travelers cheque issuance.
- On call home banking services

- Unlimited withdrawal facility
- No maintenance fees
- Free statement upon request
- Free ATM cards.

**c: NIC Super Deposit**

- Tenor of 3 years or 5 years
- Interest rate of 8% p.a. for 3 years and 9% p.a. for 5 years.
- Chequebook is provided for withdrawal at any time in case of need along with the fixed deposit receipt.
- Savings account can be opened with balance of only Rs 500 with free debit card.

**F: Nepal Bangladesh Bank**

**a: Grihani Bachat Khata**

- Minimum balance Rs.1,000
- Free medical insurance worth Rs.10,000 and free accidental insurance Rs.500,000.
- Interest rate 4.75% p.a
- Free ATM, mobile banking
- Monthly lucky draw.
- ABBS facility
- Unlimited deposit and withdrawal

**b: Saving Plus Deposit Scheme**

- Minimum balance Rs.50,000
- Free medical insurance worth Rs.10,000 and free accidental insurance Rs.500,000
- Interest 4.5% on daily balance.

### **C: Fixed Deposit**

- Eligibility : Any Nepalese Citizens/Indian Nationals/ Foreigner/ Minors/ Institutions/ NGOs/ School/ Collage/ Hospital/ Company/ Firms etc.
- Minimum Balance : Fixed deposit account shall be open from a sum of Rs. 10,000.00
- Interest Rate : upto 12%
- Interest posting frequency : Quarterly (4 times in a year)

### **G: Kumari Bank Limited**

#### **a: Saving Plus Account**

- Minimum balance Rs.100,000 or above
- Interest 4.25% p.a calculated on daily basis
- Free internet banking
- Free coverage of accidental Death Insurance of Rs.100,000
- Lucky Draw Scheme.

#### **b: Advantage plus Account**

- Minimum balance Rs.500,000
- Free service in bill payments of electricity, water etc.
- 0.5% processing fee on loan.
- Free coverage on accidental death insurance of Rs.500,000
- Separate privilege banking counters for account holders.
- Free advantage Plus Card from Kumari Bank Limited allows privilege discounts in selected hotels, restaurants, hospitals and departments stores.
- Lottery scheme was provided.

**c: Kumari Smart Fixed Deposit**

- Actual interest rate is 9.50% for 1 year and 9.75% for 2 years
- Scheme is based on marketing and service status of bank and bound to get changed.
- Interest is given on monthly basis.
- Loan facility as per existing rule of loan against FD.

**H: Macchapuchhre Bank Limited**

**a: Royal Saving Account**

- 4% interest rate p.a.
- Minimum balance of Rs.50,000.
- Free internet banking service.
- 50% discount on locker facility.
- Unlimited withdrawal facility.
- Free ATM Card, mobile banking service.

**b: Sopan/Ladder Deposit**

- The “Ladder Deposit” can be opened with a minimum balance of above NPR 100,000.00.
- The account provides interest @ 7% to maximum 11% per annum with interest calculated on a daily balance and the interest credited on a quarterly basis depending upon the following amount:

Above 1 lakhs to 5 lakhs 7%

Above 5 lakhs to 10 lakhs 8%

Above 10 lakhs to 25 lakhs 9%

Above 25 lakhs to 50 lakhs 10%

Above 50 lakhs 11%

**Table No. 2.3**

**Comparison Chart of some Popular Products of different banks under study**

S.N	Name of Bank	Name of Accounts	Minimum Deposits	Interest Rate	Insurance Limit	Locker Facility	Withdraw Facilities/ Limitation	Lucky Draw	Other free Facilities	Remarks
1	Kumari Bank	<b>Super saving:</b> - Saving Plus A/C	100,000	4.25% (Daily)	100,000			Gold Coin	- Internet Banking	
		Smart Fixed Deposit	100,000	9.5% (Monthly)						-Loan Against FD
2	Mach. Bank	Royal Saving A/C	50,000	4% (Daily)	100,000	50% Discount	Unlimited	Gold Coin	-Internet Banking -ATM Card -Mobile Banking	
		Sopan/Ladder A/C	min-1 lacs abv-50 lacs	7% 11%						
3	NIC Bank	NIC Sikshya Kosh	100	100-2500=0% 2500-300000=4% 300000- Above=5%		25% Discount				
		NIC Super Deposit	500	8%					-Internet Banking -Debit Card free -ABBS -A/C Statement -Home Banking	
4	SBL	Special Saving A/C	50,000	4.5% (Daily)	500,000	Preference	No restrictions		-ABBS -A/C Statement	-Draft and TC at competitive rate -50 % disc. on Home Loans

		Siddhartha Mega Saving	1000,000	10% (M)					-ABBS -A/C Statement	
5	NB Bank	Grihwni Bachat Khata	1000	4.5%	-10,000 (M) -500,000		Unlimited	Monthly	-ATM Card -Mobile Banking -ABBS	
		Fixed Deposit	10000	upto 12%					-ABBS -A/C Statement -ATM Card	
6	NIBL	E-Zee Saving	50,000	2.75% (Daily)			Unlimited		-Visa Elec, Debit Card -Tele	-Privilege Lounge
		NIBL Saving Bonanza	100000	6.5	Accidental Insurance				- Debit Card -Tele	-Privilege Lounge
7	BOK	Ladder Saving	No Restriction	0-4.25% Condition applies				Cash Prize	-Good for payment -stop payment -ABBS, -ATM	-Privilege Banking
		Premium Deposit	21 lacs	11% pa					-ABBS, -ATM	-Privilege Banking
8	EBL	Unfixed Fixed Deposit Scheme	50,000	As per FD rate			Upto 90% of total Deposit			-Privilege Banking
		Supreme Deposit	10 lacs	min 8%						-Privilege Banking



From the study of above schemes of commercial Banks, we found the following findings:

- Banks have brought some innovative ideas, technologies that attract the depositors like: Internet Banking, ATM Card, Mobile Banking etc.
- Banks are on the way of interest war. Banks are attracting the depositors by offering them higher rate of interest in deposits.
- Privilege banking services are being offered by some of the banks to other valued customers.
- Some deposits schemes are launched for some potential groups of people. For instance, NIC Shiksyas Kosh, NB Banks Grihini Bachat Khata, BoK Grihalaxmi Bachat etc.
- Banks are also focused on insuring the depositors by doing medical and accidental insurance of the depositors.

### **Comparison of Deposits Strategy of Other Commercial Banks with NIBL**

Nepal Investment Bank Limited (NIBL) is one of the older Bank in Nepal. It has established many branches in different parts of Nepal and also launched different depository products in Nepal. NIBL has also focused on different target groups to collect the deposits. NIBL has launched Ezee Saving Schemes, Pariwar Bachat Khata etc in the market and response of these products are satisfactory. NIBL also offers better interest in the deposits scheme. The comparative interest of NIBL with other banks is higher and the ratio of deposits in NIBL is also higher than other Banks.

## **Comparison of Deposits Strategy of Other Commercial Banks with SBL**

Siddhartha Bank Limited has commenced their operation on 2002 and since the Bank has launched Normal Saving and special saving account product in the market. The response of these products is also better and deposits collection is satisfactory till date. In comparison with other banks SBL is new one so, the Bank has to launch other new products to the market and also have to focus on target group of peoples. SBL is providing ATM card, e-banking facility, locker facility, ABBS facility to the customers.

### **2.2.2.2 Lending Strategy of Commercial Banks:**

The collected deposits must be lends to the needy people, by which the bank can earn interest. Interest is must to the banks because the interest will be distributed to depositors (for interest), salary of staffs, dividends to shareholders, rents, other office expenses etc.

Banks are providing different types of loans listed below:

- Overdraft
- Personal Loan
- Term Loan
- Letters of Credit
- Education Loan
- Home Loan
- Trust Receipt
- Hire Purchase Loan etc.

Bank has done different marketing strategies for lending the funds like reducing the interest rate, diversifying the loans etc.

## **Loans Offered by Different Commercial Banks in the Market:**

### **A: Everest Bank Limited:**

#### **a: EBL Education Loan:**

- Should be Nepali citizens
- Should have regular source of income
- For Students education like admission fees, lodging, books & Stationary, monthly fees etc.
- For SAARC Countries: Rs.10 Lacs
- For Abroad: Rs.15 Lacs.
- No Margin money required
- Personal Guarantee of parents required
- Fixed collateral required
- Repayment starts after one year of completion of study or one month after getting the job, whichever is earlier.
- Principal amount should be paid in 48 monthly installments.

#### **b: EBL Home Loan:**

- Interest rate 11.5% to 13.5% p.a.
- Applicant should have a permanent source of income
- Applicant normally should not be more than 60 years
- Income should be double than EMI
- Repayment: Equal monthly installment up to 15 years.
- Margin Security:25% of fixed assets
- Security: Mortgage of Property
- Personal Guarantees

#### **c: EBL Flexi Loans**

- Loan against mortgage.
- Minimum loan amount:Rs.5 Lacs
- Maximum loan amount: Rs.40 Lacs
- Security: Mortgage of Property

- Personal Guarantees.
- Either Overdraft or Term loan will be given to borrower.
- Repayment: EMI basis on Term Loan for 60 months
- Insurance to be done of property

**d: EBL Professional Loan**

- Loan for self employed persons like doctors, chartered accountants, engineers etc.
- Security: mortgage of property and hypothecation on movable assets.
- Repayment: EMI within 5 years.

**e: EBL Property Plus**

- To buy the property.
- Financing up to 80 % of valuation
- Repayment: EMI Basis
- Insurance of property

**f: EBL Hire Purchase**

- To purchase the vehicle
- Security: Vehicle and fixed assets
- Repayment: EMI upto 5 years
- Registration of vehicles in Banks name
- Insurance of vehicles.

**B: Nepal Investment Bank Limited:**

**a: Home loan**

- Finance up to 70% of the total value for
- Readymade Houses/Buildings
- Construction of House/Buildings,
- Readymade apartment, bungalow, duplex
- Renovation and / or extension of building

- 13.00% per annum for up to 5 yrs.
- 14.00% per annum above 5 yrs.
- Maximum of 15 years
- Loan shall be terminated on /or before 60 years of age of the borrower.
- Repayment: Equal Monthly Installments (EMI)
- Management fee: 1% of loan amount
- Documentation Fee: NPR 3,000.00 flat
- Prepayment Fee:
  - 1% of pre-paid amount if prepaid within 5 years
  - 0.5% of pre-paid amount if prepaid after 5 years
- CIB Charge: NPR 750.00 per page

**b: Auto Loan**

- Finance upto 80% financing of the total value for the following
  - The purchase of New Private Vehicles
  - The purchase of New Commercial Vehicles
- And upto 50% of the total value for
  - The purchase of Second and Vehicles (not exceeding 5 years old)
- **Interest Rate**
  - 12.00% per annum for private vehicles.
  - 13.00% per annum for commercial vehicles.
- **Tenure**
  - Maximum of 15 years
  - Loan shall be terminated on /or before 60 years of age of the borrower.
  - Repayment: Equal Monthly Installments (EMI Hhh)
- The following charges are to be levied

- Management fee: 1% of loan amount
- Documentation Fee: NPR 2,000.00 flat
- Prepayment Fee: 1% of pre-paid amount
- CIB Charge: NPR 750.00 per page

**c: Education Loan:**

- Finance for
  - Tuition fee
  - Living expenses
  - Travelling expenses
- **Interest Rate:** 13.50% per annum
- **Period:** Up to the completion of the course or maximum period of 10 years, whichever is earlier
- **Repayment:** Equal Monthly Installments (EMI)
- **Fees And Charges:** The following charges are to be levied
  - Management fee: 1% of loan amount
  - Documentation Fee: NPR 2,000.00 flat
  - Prepayment Fee: 1.00% of pre-paid amount
  - Commitment Fee: 1.00% of unutilized amount
  - CIB Charge: NPR 750.00 per page

**d: Loan against Gold and Silver:**

- Finance up to:
  - 70% for Gold Ornaments
  - 75% for Fine Gold
- **Interest Rate:** 13.00% per annum
- Interest to be paid on end of every month (as per Nepali calendar)
- **Period:** Maximum 1 (one) year (if required – to be renewed every year from the Date of maturity)

- **Processing fee:** 1.00% of total loan amount
- **Repayment:** Can be repaid at any time

**C: NIC Bank Limited:**

**a: NIC Home Loan:**

- For purchase or construction of building
- Finance upto 75 % of valuation
- Interest rate:9.99% to 13.99%
- Security: Mortgage of Property and Personal Guarantees
- Repayment: EMI basis
- Loan amount: Rs.5 Lacs to 150 Lacs
- 25% discount on locker facility
- Free ATM card

**b: NIC Small Business Loan:**

- For short term working Capital
- Interest 10.99% to 13.49%
- Security: Mortgage of Property & Hypothecation of movable assets
- Loan amount 5 lacs to 1 crore
- Repayment: EMI Basis within 6 years

**D: Bank of Kathmandu Limited:**

**a: Bok Education Loan:**

- Interest rate:12%
- Processing fee:1%
- Prepayment fee:0.5%
- Tenure: Maximum 10 Years
- Security: Mortgage of Property and Personal Guarantees

**b: BoK Home Loan:**

- Interest: 13.5%
- Financing upto 70 % of valuation
- Repayment: EMI Basis
- Security: Mortgage of Property and Personal Guarantee
- Tenure: Upto 15 Years

**c: BoK Hire Purchase**

- Interest: 12 % to 14 %
- Financing upto 70 %
- Tenure: 5 years
- Repayment: EMI Basis
- Security: Vehicle & Personal Guarantees

**E: Siddhartha Bank Limited:**

**a: SBL Home Loan**

- Interest: 14% to 16%
- Tenure: Up to 15 Years
- Repayment: EMI Basis
- Security: Mortgage of Property
- Financing up to 70 % of Valuation

**b: SBL Personal loan**

- Mortgage of property
- Interest 15% to 17%
- Tenure upto 15 Years
- EMI Basis
- Financing up to 57 % of valuation

**c: SBL Auto Loan**

- Interest: 14 % to 16 %
- Financing upto 70 %



- Tenure: 5 years
- Repayment: EMI Basis
- Security: Vehicle & Personal Guarantees

**d: SBL Education Loan**

- Interest rate: 14% to 16%
- Processing fee:1%
- Prepayment fee:1%
- Repayment: EMI Basis
- Tenure: Maximum 10 Years
- Security: Mortgage of Property and Personal Guarantees

The other loans given by the commercial banks are as follows:

- Term Loan
- Working Capital Loan
- Project Loans
- Time Loan
- Trust Receipt
- Letters of Credit
- Guarantees etc.

**As we see that due to country's unstable political situation and frequent disturbances in the country, Banks are diverted on consumer financing or short term financing. Because of political instability and frequent disturbances in the country, nowadays long term financing is full of risk. Thus, the commercial banks have diverted their focus on short term consumer loans like Home Loan, Auto loan, Personal Loans, Education Loans etc. These loans are of low risk.**

The interest rate provided by Nepal Investment Bank Ltd is minimum than Siddhartha Bank Limited because NIBL is older bank than operating cost of NIBL is minimum than SBL.

### **2.2.2.3 Service Strategy of Commercial Banks**

Nowadays Banks are providing different services to the customers. In this competitive world, one has to survive by launching different types of products and services in the market. Some banks are offering home banking services, privilege banking services to their valued customers.

Services provided by different Banks are as follows:

#### **A: Bill Payment Facilities:**

Banks are providing services to pay the bills of telephones, mobiles etc. Bank of Kathmandu, Nepal Investment Bank, Laxmi Bank, Machhapuchhre Bank are providing these facilities to the customers.

#### **B: Card Facilities:**

A Debit Card is a payment card, which enables customers with the option of making purchases at merchant locations as well as cash withdrawal from ATM's with access to bank account.

A Credit Card is a payment card, which enables customers with the option of making purchases on credit. Credit card is designed with the concept of spend now and pay later.

These cards are convenient financial management tools. They offer many benefits, however at the same time they also carry many responsibilities to the holder thereof. They provide freedom from the burden of carrying cash. Credit cards have very wide applications, wider than the currency notes and safer than them too.

Most of the Banks in Nepal are offering Debit cards and Standard Chartered Bank, Himalayan Bank Ltd, Nabil Bank and Nepal Investment Bank are providing Credit card facilities to the customers.

### **Features of Debit Cards:**

- Valid in Nepal and India
- Can be used for purchase of merchandise/services or cash withdrawal
- Round the clock service
- Prompt service/no queue
- Accepted in over 100,000 POS terminal merchants
- Accepted in over 5,000 ATM's
- No interest, late fee or penalty
- No hassles of limit
- Secured transactions due to electronic environment
- Highly economical to obtain and use
- Added facility of balance enquiry and PIN change
- No service charge on use at own ATMs and all POS terminals
- Deposits accepted at specified locations

### **Features of Credit Cards:**

- Valid worldwide
- No compulsion of maintaining account with the card issuing Bank.
- Competitive interest, late fee and service charges
- Can be used for purchase of merchandise, services or cash withdrawal.
- No auto debit reversal fee.
- Instant recharge from any branch of the bank.
- No need to carry bulk cash
- Image and status symbol

### **C: Mobile/Internet Banking Facilities:**

Due to innovation in technologies and competition in the banking market, banks are launching different types of innovative products in the market.

Banks had launched Mobile banking, internet banking facilities in the market. We can know our balance, transfer of funds, issuing drafts etc by mobile/internet banking. Siddhartha Bank has launched “Siddhartha i connect”, an Internet banking facility.

**D: Remittance facilities:**

Banks are also providing inwards and outwards remittance facilities to the customers. Job opportunity in the third country is better abroad and the most of the younger generation of the country are going abroad for job opportunities. It has been revealed by the Nepal Rastra Bank data that about Rs. 200 billion is being remitted to Nepal legally every year. Different Banks are providing different money transfer schemes in the market like:

- Nepal Investment Bank Ltd has launched Prithvi Remit.
- Himalayan Bank Limited has launched Himal Remit.
- Laxmi Bank Limited has launched Express Money Transfer, which mainly remit money from Malaysia.

Most of the other Banks are providing the remittance facility via the channel of Western Union Money Transfer, an international money transfer agency.

**2.3 Review of Related Studies:**

Researchers has emphasized on the conceptual framework in previous section of this chapter, which provide the bases of knowledge for the study. Now in this section some past studies are reviewed to broaden the knowledge further.

### **2.3.1 "A Report on Product Analysis of Various Banks in Nepalese Market": [Koirala, 2006]**

**The main motive of this study is to get fact information needed for the survey. This will help to get the correct information and also easier to us to compile the data.**

***The main objective of this study is as follows:***

- **To do the analysis of the various deposit products and the schemes offered by different commercial banks in the market.**
- **To study the various types of cards offered by the banks.**
- **To know the customers feedback on the services given by banks.**

***The major findings are:***

- **The majority of the deposits schemes are targeted to middle class families though some banks have focused their schemes to specific groups as for children.**
- **Most of the deposits schemes are made more attractive by different lottery schemes.**
- **Most of the banks are providing Internet banking and mobile banking service as nowadays market is a very competitive market.**

***Based on above findings, researchers had recommended some points:***

- **Banks has to target on lower class families also because Nepal is a least developed country and most of the families are from poor background.**
- **The imperfect competition of different banks should be stopped.**
- **More products and more incentives to bring to the market.**

### **2.3.2 "The Strategic Marketing Plan of Nepal Bangladesh Bank Ltd". [Thapa, 2003]**

*The main objective of this study is as follows:*

- To know the current marketing plan running by the bank.
- To study the various types of products offered by the bank.
- To know the customers feedback on the services given by banks.
- To know the future plans implementing by the bank.

*The major findings are:*

- **The bank has given their service for all the commodities. Bank has launched many deposits and loan schemes for different category of people like for ladies, Grihani Bachat Khata, Saving Plus deposit Scheme etc.**
- **The bank has also providing internet banking service and also provides debit cards to customer.**
- **The banks are providing different types of loans to the market in reasonable rate.**
- **Marketing of their products is done regularly by different media like by newspapers, TV etc.**

*Based on above findings, researchers had recommended some points:*

- **Bank has to focus on different groups of people and also give the higher return on their savings.**
- **The imperfect competition of different banks should be stopped.**

*Strategic Marketing Plans:*

- **Target Market and positioning: Bank has to focus on target market where they are going to and also know them by which they can easily catch the market.**

- **Product: Bank has to launch different new products in the market as now a day there is much competition in the market.**
- **Service: Bank has to give a superior quality and fast service to the customers as it is a service-oriented job.**
- **Price: The costing of the products must not be high.**
- **Place: The bank has to open their branches nationwide to give the customers better service.**
- **Promotion: Different types of promotional tools to be used by the banks to promote their products. Like by print media, Televisions ads, radio ads, hoarding boards etc.**

### **2.2.3 "A study on Deposit collection and its utilization on Bank of Kathmandu Limited" [Pradhan, 2058 B.S.]**

This case study is an analysis of deposits collected by the bank and utilization the collected deposits. In this study we can find how Bank of Kathmandu collects the deposits and how they utilize the collected deposits. Bank of Kathmandu collects deposits from individuals, business firms, and also borrows the funds from other banks as well as it utilize the fund by giving loan and advances, investment on different bonds and stocks, etc. Bank has launched different schemes to collect the deposits from the source and also emphasis on the loans.

Bank of Kathmandu has offered different kinds of marketing scheme to the target groups for the collection of deposits like Ladder Savings, Kopila Bachat Yojana, Sajilo Bachat Khata, Grihini Bachat etc. Bank of Kathmandu has also offered reasonable interest rate in the deposits and loans.

#### ***The major finding on the study is as below:***

- The bank has focused on the target market and target group by which others cannot use the scheme.
- The deposits collection and utilization of the deposits is satisfactory.
- Bank of Kathmandu has opened their branches on only city area by which villagers are unable to get the banking facilities.

- Marketing is done but is not sufficient.

*Recommendations:*

- The bank has to target all groups and commodities because they all are from the same society.
- Most improve in their collection on deposits and mobilizing the deposits.
- To open their branches on the rural area also, because the villagers also have to utilize the banking facilities.
- Must focus on marketing mix and do the right marketing strategy on the right time and right place.

## **2.4 Research Gap**

This research is different from previous researches being done in the selected field. Although, Researcher has gone through various research work done earlier, attempt is made to touch those points, which were ignored before. The points are as follows, which makes this research work different than previous reports:

- Comparative market study of the Commercial Banks in Nepal.
- Strategy of different Banks in the market.
- Study of Loan, Deposits schemes of Banks.
- Comparison of Marketing Strategy of Siddhartha Bank Limited and Nepal Investment Bank Ltd.
- Different new services launched by commercial banks.



## CHAPTER THREE

### RESEARCH METHODOLOGY

#### **3.1 Introduction**

"Research refers to systematic and objective attempt, which is used to study a problem for the purpose of driving general principles. The investigation has been guided by previously collected information and aims to add to the body of knowledge on the subject." Dictionary of Social Science.

Research may be defined as the systematic and objective analysis and recording of controlled observations that may lead to the development of generalizations principles or theories, resulting in prediction and possibility ultimate control of events.

Research Methodology is the way to solve systematically about research problem. The basic objective of my study examined the marketing strategies of different commercial banks during the study period and necessary recommend actions for improvement. So, the purpose of this chapter is to outline the method followed by researcher the process of analyzing the markets, their mix, strategy and other related aspect of the banks with special reference to Siddhartha Bank Limited and Nepal Investment Bank.

#### **3.2 Research Design**

"The formidable problem that follows in the task of defining the research is the preparation of design". Research design is the plan structure and strategy of investigation conceived to obtain answer to research question and to control variance. The plan is the overall scheme of program of the research.

Thus research design is a plan to obtain the answer of research questions through analysis for knowledge.

The present work is mainly related with the marketing plans and the focused groups of the banks. We will use primary information and the secondary data of all the commercial banks with the given data to show the real position of the banks regarding the formulation and acceptance of objectives, goals, strategies and planning premises.

Research design is an overall framework or plan for the data collection methods, the research instruments used and sampling plan to be followed.

Pre-set questionnaire were distributed to the randomly selected customers visited to the banks and also done some direct interviews to collect the data and they were evaluated. As such, the study is exploratory, descriptive and analytical type.

### **3.3 Population and Sampling**

All the data are collected within Kathmandu valley. As the bank has focused their marketing strategy on different age of groups and genders, the sampling is also done by same. Researcher has taken 8 renowned commercial banks for basic sampling and focused more on NIBL and SBL. Researcher has visited the bank premises and outside the banks to know the answers of some questionnaire and researcher have put the questions to 150 peoples of all age and all groups of peoples. However, only 100 questionnaires were answered. Among the people interacted, 7 were officers of the bank, 10 were non officers and rest were people visiting the bank. Researcher has also interviewed the banking personals and staffs to know about their current marketing strategy, but they have given only some data as they are bonded by their banks policy.

### **3.4 Period Covered**

The presented study is undertaken for a period of five years data and also this is a study of marketing strategy so mainly now and direct data has been taken.

### **3.5 Nature and Source of Data**

Both primary and secondary of data will be used in this research report. Primary data are based on unstructured dialogues and discussions with the executives, other staffs and customers of the bank. Secondary data are collected from books, annual reports, Banking & Financial statistics of Nepal Rastra Bank, journals, brochures, unpublished thesis, library of T.U. and other T.U. affiliated campuses etc.

### **3.6 Data Gathering procedures**

For the purpose of the present study basically secondary data and some primary data have been accumulated frequently by visiting different commercial banks and interview and suggestion with the concerned personnel and customers are the methods used to gather primary data. Some primary information has been also collected by developing the unstructured questionnaire to clarify situation and acquire the view of the officials.

Secondary data have been collected from different journals, annual reports of the banks, Banking and Financial Statistics of Nepal Rastra Bank, brochures, T. U Library, Advertisement of the products of banks, magazines, newspapers etc. These data collected from various source were gathered and the filtered and after that the useful and necessary data are taken for the thesis. This data are calculated and tabulated for the completion of thesis.

A diary was also maintained where everything found relevant to the research was noted down on the course of literature and discussion and inquiry, which was later processed for analysis.

### **3.7 Tools Used**

Data collected from various sources are managed, analyzed and presented in proper table and formats. Such table and formats are interpreted and explained wherever necessary .Main tools used in the study are:

#### **SWOT Analysis**

In this analysis we will study the strength, weakness, opportunities and threats of the commercial banks in the markets and how they will cope this.

#### **Percentage Bar Diagram**

The data presented in a tabular form, percentage is also given for presentation.

#### **Graphs and Pie Charts**

For the presentation of data I have used Pie Charts and Graphs. This helps to present the data clearly.

## CHAPTER IV

### ANALYSIS AND INTERPRETATION OF DATA

Banks are the service-oriented business and a successful bank will always think about their market and their customers. Today's market is very competitive and in this competition if the marketing head cannot make a right strategy and right decision he may lose the potential customers. Different commercial banks have implemented different marketing strategies to collect the deposits. For example:

**A: Inner Bank Decoration:**

Nowadays there is too much competition in the financial sector. So, all the banks are attracting the customers by improving their inner decoration. This is also a strategy to catch the customers.

**B: Fast Service:**

We know time is money. And in this business world all the people are in hurry. So it has become imperative for banks to have fast service delivery to the customers.

**C: Different Types of Incentives to the Customers:**

Banks are giving different types of incentives, lucky draws, prizes etc to the customers to collect the deposits. Like, Kumari Bank has introduced a deposit scheme where a depositor can win a house.

**D: Other Facilities:**

Nowadays banks are providing internet banking, ATM cards, Credit cards, Mobile bill payment, 365 days banking, evening counter, holiday counter, air ticket purchase, school bill payment etc to attract customers.

## **4.1 The Marketing Mix of the Commercial Banks**

### **A) Product Mix:**

The banks are mainly focused on deposits and lending. So their products are mainly focused on them. Banks are launching different products in the markets like different deposits scheme to different age of peoples (Grihalaxmi Bachat Khata, Bridha Briddha Khata, Bal Shikshya Kosh, etc) and loan schemes (Home loan, personal loan, Ezee Education Loan etc).

### **B) Price Mix:**

The price is the costing for the launching of the products. For the launching of the products in the market it costs price. The price consists of charge in ads, calendars, brochures, sign boards, wall paintings etc.

### **C) Place Mix:**

These products are available to all the branches of the banks. The branches of the commercial banks are scattered nationwide so, a person can enjoy the product and services from any branch of the concerned banks.

### **D) Promotion Mix:**

Banks has done different promotion mix to the market. They give commercial advertisement, TV ads, newspaper ads, brochures, seminars etc on their products. Banks has introduces customers scheme for time to time. For eg: Kumari Bank has launch a deposit scheme of Rs.25,000 and in this account there is a chance to win a house plus other benefits also, banks are providing free debit cards to the saving deposits customers, lottery scheme etc. Banks are service oriented jobs so, they must have to go direct to the customers and attract them to come to them. So, advertising is the most in banking sector. Customers must know about the bank where they are dealing. Promotion mix helps the customer to know about the bank, their products, their future plans in the market etc.

**Table No. 4.1**  
**The Total Deposits of the Commercial Banks**

(Rs. in million) (Mid Jan 2010)

Particulars	NBL	RBB	NABIL	NIBL	SCBNL	HBL	NSBI
<b>Deposit</b>	428833.2	630112.4	440232.2	473403.2	343543	370217.7	288824.8
a. Current	91660.5	133653.7	71044.8	38446.2	102201.	89908.8	40953.8
Domestic	89580.6	131461.1	53126.5	35995.1	54939.0	61740.5	23191.7
Foreign	2079.9	2192.6	17918.3	2451.1	47262.0	28168.4	17762.1
b. Savings	303033.2	456652.7	166451.9	183475.9	158628.	184891.8	73088.1
Domestic	302982.1	432668.2	147645.2	180369.4	138437.0	176187.8	71901.1
Foreign	51.2	23984.5	18806.7	3106.5	20191.0	8703.9	1187.0
c. Fixed	32900.8	29249.3	110267.1	153798.4	58974.0	85561.9	147977.8
Domestic	32837.7	28110.9	86586.4	153536.8	6835.0	73514.0	69556.5
Foreign	63.0	1138.4	23680.7	261.6	52139.0	12047.8	78421.3
d. Call Deposits		324.5	87302.3	89630.4	20235.0	6.8	24857.6
e. Others	1238.7	10232.3	5166.2	8052.3	3505.0	9848.4	1947.4

Particulars	NBB	EBL	BOK	NCCB	LUMBINI	NICB	MBL
Deposit	94311.8	348028.4	187270	97156	59061.2	156103.8	153471.0
a. Current	8801.8	47832.6	23815.0	9131.0	4957.2	7718.9	6949.0
Domestic	7952.2	46993.8	20805.0	8805.0	4823.7	7212.8	6461.0
Foreign	849.6	838.8	3010.0	326.0	133.5	506.1	488.0
b. Savings	68866.5	158882.1	77342.0	58331.0	30398.3	38177.9	71668.0
Domestic	68538.7	157126.4	74751.0	57564.0	30046.4	37515.9	71413.0
Foreign	327.8	1755.7	2591.0	767.0	351.9	662.0	255.0
c. Fixed	6975.7	70622.1	56043.0	11703.0	16980.2	69102.0	50069.0
Domestic	6968.4	64557.7	48690.0	11703.0	16842.1	64282.4	47952.0
Foreign	7.3	6064.5	7353.0		138.1	4819.6	2117.0
d. Call Deposits	7564.4	65592.7	27169.0	16548.0	6202.8	40207.1	22807.0
e. Others	2103.4	5098.9	2901.0	1443.0	522.7	898.0	1978.0

Particulars	KUMARI	LAXMI	SBL	ADBL	GLOBAL	CITIZENS
Deposit	168892.8	167647	175046.6	334379.4	130389.2	128986.6
a. Current	10098.9	9258.0	6257.9	26313.2	4404.4	4029.8
Domestic	9693.8	8692.0	6086.7	26313.2	4271.0	3951.8
Foreign	405.2	566.0	171.3		133.4	77.9
b. Savings	42810.1	41014.0	42798.8	206184.2	41691.6	46917.2
Domestic	41918.5	38942.0	42555.2	206184.2	41093.9	46540.7
Foreign	891.7	2072.0	243.6		597.7	376.5
c. Fixed	52042.5	71192.0	82141.8	98844.0	65907.4	53100.7
Domestic	51599.9	61000.0	75242.0	98844.0	63654.3	50641.5
Foreign	442.6	10192.0	6899.8		2253.1	2459.2
d. Call Deposits	60730.7	42320.0	39448.1	3038.1	16087.0	24242.2
e. Others	3210.5	3863.0	4400.0		2298.8	696.8

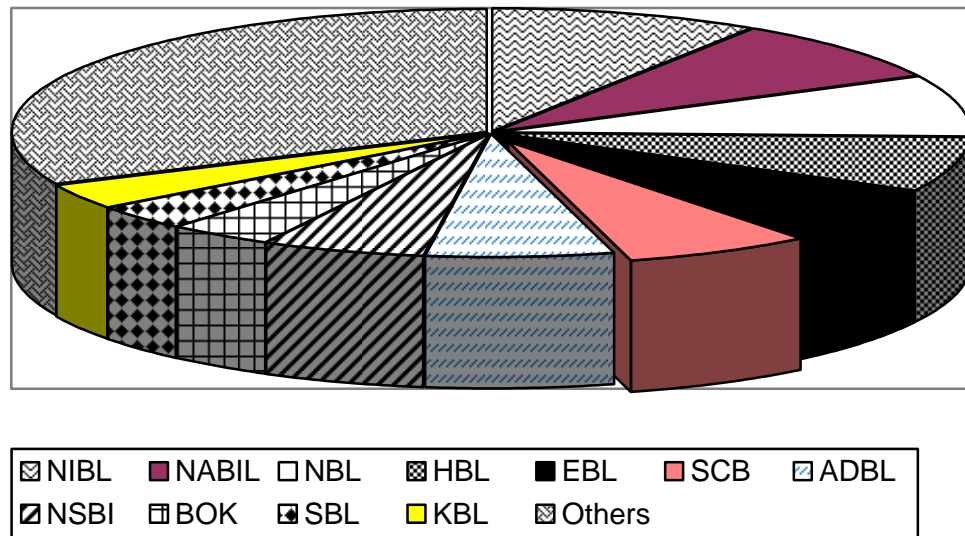
Particulars	PRIME	SUNRISE	BOA	DCBL	NMB	KIST	TOTAL
Deposit	151637.3	137191.5	117537.1	73463.4	83130.9	124698	5863568.3
a. Current	2565.4	5516.9	2806.6	3374.3	5491.6	2920.0	760111.1
Domestic	2412.4	5249.3	2731.5	3372.7	5314.0	2909.0	634085.0
Foreign	153.0	267.7	75.1	1.6	177.7	11.0	126026.2
b. Savings	35930.7	71765.6	38600.1	10817.8	18288.6	83071.0	2709777.0
Domestic	35772.4	71510.8	38545.4	10658.1	18186.8	83069.0	2622123.3
Foreign	158.3	254.8	54.7	159.6	101.8	2.0	87653.7
c. Fixed	65446.2	45661.7	38676.0	42678.7	32668.2	27150.0	1575733.2
Domestic	57421.7	37772.0	34824.6	42678.7	26721.2	27150.0	1339522.6
Foreign	8024.5	7889.6	3851.4		5947.0		236210.6
d. Call Deposits	46864.2	12280.0	36852.3	14936.5	26508.3	11184.0	742938.9
e. Others	830.8	1967.3	602.3	1656.1	174.2	373.0	75008.2

*Source: Banking & Financial Statistics Nepal Rastra Bank Mid Jan 2010.*



**Figure No. 4.1**

**Pie Chart of the Total Deposits of the Commercial Banks (Top 12)**



*Source: Table No. 4.1*

In the above chart and diagram we can see that the deposits pattern of RBB is higher than other commercial banks because the bank was the old most banks and operate by the government. And then NIBL is the second large depositor. In private banks deposits pattern of NIBL, NABIL, HBL and NBL is higher then other banks. In comparison with NIBL and SBL, total deposits pattern of NIBL is 473403.2 million and SBL is 175046.6 million. The comparison shows a deposit of NIBL is almost 3 times higher than SBL. Thus, the new banks have to focus on the marketing plans to collect more deposits.

## 4.2 The Comparative Rate of Interest of Different Commercial Banks:

**Table No. 4.2**  
**Comparative Interest Rate of Different Commercial Banks**

		NBL	NIBL	NABIL	SCBL	
<b>Deposits</b>	Saving	2.5	2.0	2.0	2.0	
	Special Saving	2.75		2.0-6.0	2.5-3.0	
	<b>Fixed</b>	1.25	14 days			1.0
		1.75	1 months	3.0	5.0-6.0	1.5
			2 months			1.5
		2.5-2.75	3 months	3.25	6.0-7.0	1.5
		2.75-3.0	6 months	3.5	7.0-8.0	1.75
		5.0-5.5	1 Year	5.0	8.0-9.0	2.5
5.5-6.0	2 Yrs/Above	6.0-7.0	9.0-10.0	2.75-3.0		
<b>Credits</b>	Overdraft	9.75-12.0			6.5	
	Export Credit	8.25-10.5		9.0	10.0-13.0	
	Import L/C				10.0-13.0	
	Against FDR	7.0-8.0			+2.0 min.10.0	
	Against Govt. Bond	7.0		9.0	+2.0 min.10.0	
	Against BG/CG	8		8.5	12.0	
	Against Other Gurrantee			+1.5; min.6.0	14.0	
	Industrial Loan				10.0-11.5	
	Commercial Loan					
	Priority Sector					
	Deprived Sector	4.0-9.0		7.5	6.0-11.0	
	Term Loan	11.0-12.0		9.5-12.5	12.0-15.0	
	Working Capital	9.75-12.0		11.0-12.0	11.0-14.0	
	Hire Purchase	9.0-11.0		11.5		
	Consortium					
Others		7.0-12.0	8.5-12.5	11.0-16.0		

		HBL	NSBI	NBB	EBL	
<b>Deposits</b>	Saving	2.75	3.0	4.5	3.0	
	Special Saving	2.75-7.0		3.5-4.75	2.75-4.0	
	<b>Fixed</b>	14 days	2.75			
		1 months	3.5	3.25	3.5	
		3 months	4.25	3.75	4.0	3.0
		6 months	5.0	5.5	4.5	3.5
		1 Year	7.0	6.5	4.75	5.0
2 Years/ Above	7.25-7.5	7.0-8.0	5.0	5.25-5.5		
<b>Credits</b>	Overdraft	9.0-12.0	10.5-12.0		8.5-11.0	
	Export Credit	9.0-13.0	10.0-10.5	9.0-9.5	7.5-10.0	
	Import L/C	9.0-12.5			7.0-10.0	
	Against FDR	+1.5-2.0 Min.-6.0- 9.0	+1.0 - +2.0	+2.0	+1.5	
	Against Govt. Bond	+1.5 or 8.0	9.5-11.0	7.5	7.0-8.0	
	Against BG/CG	9.0-10.0	9.5-11.0	8	7.5-8.5	
	Against Other Guarantee		9.5-11.0			
	Industrial Loan			10-10.5	8.0-11.0	
	Commercial Loan			8.0-9.5	8.0-11.0	
	Priority Sector			10.0		
	Deprived Sector	6.0-8.75	7.5-9.5	9.5	5.0-10.0	
	Term Loan	10.5-13.5	11.5-12.5		8.5-11.0	
	Working Capital			9.0	8.5-11.0	
	Hire Purchase	10.5-13.0		9.5	9.0-10.5	
	Consortium			APCD		
Others	9.0-14.0	10-12.25	7.5-10.5	5.0-11		

		KBL	LAXMI	SDBL	ADBL	
		Existing	Existing	Existing	Existing	
<b>Deposits</b>	Saving	4.0	3.0	5.0	3.0	
	Special Saving	4.25-7.25	4.5-6.5		6.0-7.1	
	<b>Fixed</b>	7 days				
		14 days	4.0			
		1 months	6.0	3.5-5.5	3.0	
		2 months				
		3 months	8.0	4.5-6.5	3.25	
		6 months	9.0	5.0-7.0	5.0	7.25
		1 Year	10.0	7.5-9.0	6.0	8.0
2 Years/ Above		10.5-10.75	8.0-9.25	6.5	8.25-8.5	
<b>Credits</b>	Overdraft	10.0-12.0	11.0-14.0	10.25		
	Export Credit	9.5-10.5	10.0-12.0	8.5-10.5		
	Import L/C	8.0-11.0	9.5-11.5	8.5-9.0		
	Against FDR	+2.0 or 9.5	+2.0	+2.0	+2.0	
	Against Govt. Bond	7.75-9.0	9.0-12.0	9.0	+2.0;min.8.0	
	Against BG/CG	9.5-10.0	9.0-12.0	9.5		
	Against Other Gurrantee		11.0-13.0	10.0		
	Industrial Loan			8.0-10.5		
	Commercial Loan			8.5-11.0		
	Priority Sector	10.0-12.0		9.5-10.5		
	Deprived Sector	6.0-7.0		7.0	9.0-9.5	
	Term Loan	11.0-12.0	11.0-14.0	10.25		
	Working Capital	10.0-12.0	9.5-13.0	10.0-10.25		
	Hire Purchase			8.5-11.0		
	Others	9.0-13.0	8.0-15.0	7.0-11.0	10.0-14.0	

Source: Banking & Financial Statistics, Nepal Rastra Bank Jan 2010

The above table shows the deposits interest pattern of the banks. The interest rate of SBL, LBL is higher then other commercial banks. And interest given by NB and RBB is lower than other banks. That's show that SBL and LBL have a strategy to collect more deposits by giving more interest to the borrowers.

### 4.3 The Total Loans and Advances of the Commercial Banks:

Table No. 4.3

#### Loans and Advances of Commercial Banks

(Rs. in million) (Mid Jan 2010)

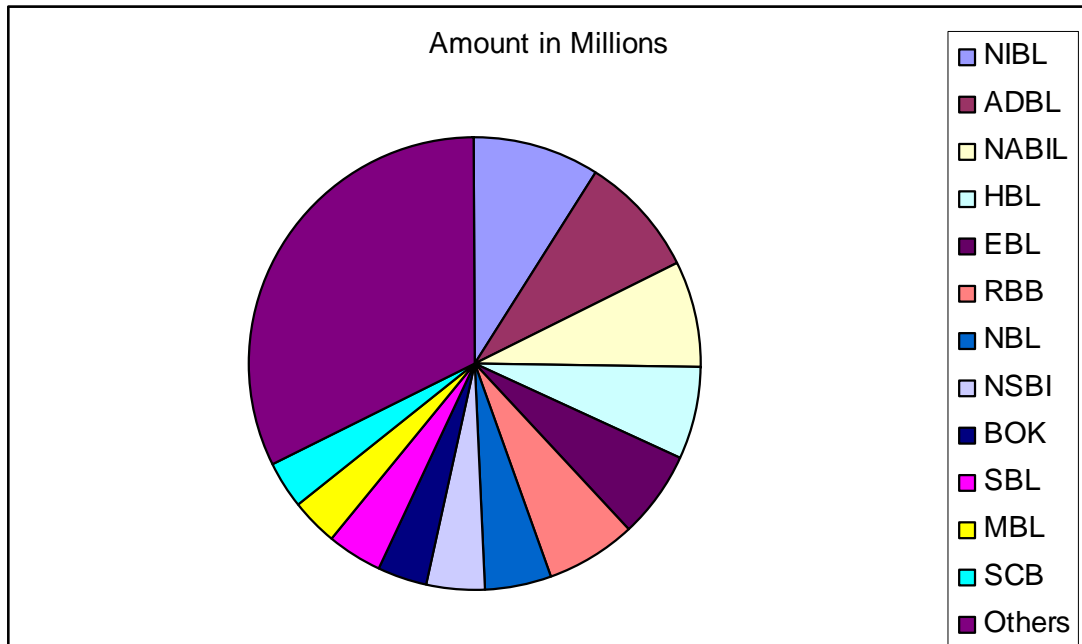
Particulars	NBL	RBB	NABIL	NIBL	SCBNL	HBL	NSBI7	NBB8	EBL
4 LOANS & ADVANCES	227149.7	285437.7	337927.8	414738.1	153022.0	306024.7	183274.8	93488.3	286096.3
a. Pvt. Sector	215794.0	315733.1	328838.8	398705.8	146189.0	306024.7	179171.9	89692.1	253267.5
b. Financial Institution	3912.6	(33713.3)	6289.1	15728.7	2823.0		4102.9	2869.3	31338.3
c. Non-Financial Govt.Org.	7443.1	3417.9	2799.9	303.6	4010.0			927.0	1490.5

Particulars		BOK	NCCB	LUMBINI	NICB	MBL	KUMARI	LAXMI	SBL	ADBL
<b>4</b>	<b>LOANS &amp; ADVANCES</b>	<b>173639.0</b>	<b>86286.0</b>	<b>59990.3</b>	<b>147180.1</b>	<b>153042.0</b>	<b>157289.1</b>	<b>151146.0</b>	<b>166444.8</b>	<b>400522.6</b>
	a. Pvt. Sector	170512.0	82847.0	59176.2	144328.6	149423.0	154811.8	145769.0	166444.8	391953.6
	b. Financial Institution	3127.0	1734.0	814.1	2851.5	3234.0	2477.3	3141.0		8569.1
	c. Non-Financial Govt.Org.		1705.0			385.0		2236.0		

*Source: Banking & Financial Statistics, Nepal Rastra Bank, Jan 2010*

**Figure No. 4.2**

**Pie Chart of loans and advances of the commercial Banks (top 12)**



*Source: Table No. 4.3*

The above table and pie chart shows the total loan and advances of the commercial banks where both government banks NIBL & ADBL has topped. The loan and advances of NIBL is Rs. 414738.1 and SBL is Rs. 166444.8 (in million). Other banks have to focus on their marketing strategy for the improvement of their loans.

#### **4.4 Competition in the Banks Market**

Due to liberalization the banking competition was too much in the country. There are altogether 28 Banks, 73 Development Banks, 73 Finance Companies, 16 Cooperatives and 45 Non-Government Organizations in the market. That shows how tough competition is in the market because Nepalese market is not yet been diversified. Commercial banks are profit oriented. So, they all are opened in Cities only. Banks are doing unfair interest war. Thus, all the banks are in the process of sending attacking marketing plans in the market.

In this scheme the customers can take advantage through high interest rates in their deposit. The accidental death insurance is also covered in large amount. There are no restrictions for withdrawal and deposits with free Any Bank Banking service (ABBS) and account holder can get 50% discount in home loan processing fee plus free ATM Card.

As per the officials of Siddhartha Bank, the deposits collection by these products are satisfactory but due to their confidentiality they are unable to give me the exact data of all the accounts opened on this savings scheme.

#### **4.5 The deposit pattern of Siddhartha Bank Limited :**

**Table No. 4.4**

#### **Deposit Pattern of Siddhartha Bank Limited**

(Rs. in million)

<b>Year▶</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Deposits▼</b>					
<b>A. Current Deposits</b>	85.7	82.3	150.8	232.7	393.7
Domestic	81.6	79.1	137.5	226.9	370.9
Foreign	4.1	3.2	13.3	5.9	22.8
<b>B. Savings Deposits</b>	525.7	1128.4	1881.7	2654.7	3469.6
Domestic	523.7	1120.4	1872.3	2626.8	3445.8
Foreign	2.0	8.0	9.4	27.9	23.8
<b>C. Fixed Deposits</b>	1196.5	1632.1	3022.6	4562.7	7158.2
Domestic	1169.8	1617.3	3009.6	4429.3	6,925.6
Foreign	26.7	14.8	13.0	133.4	232.6
<b>D. Call Deposits</b>	620.9	1029.6	1493.3	2721.6	4849.2
<b>E. Others</b>	33.1	45.7	76.8	81.9	114.3
<b>Total (A+B+C+D+E)</b>	<b>2461.9</b>	<b>3918.1</b>	<b>6625.2</b>	<b>10253.5</b>	<b>15984.9</b>

*(Source Annual report of Siddhartha Bank Limited and Banking & Financial Statistics of NRB, Mid Jan 2010. )*



**Table No. 4.5**  
**Percentage of Increasing in Deposits**

<b>Year</b>	<b>Deposit Amt. (million)</b>	<b>Increase Amt. (million)</b>	<b>Growth %</b>
<b>2005</b>	2461.9	-----	-----
<b>2006</b>	3918.1	1456.2	59.14%
<b>2007</b>	6625.2	2707.1	69.1%
<b>2008</b>	10253.5	3628.2	54.76%
<b>2009</b>	15984.9	5731.4	55.89%

*(Source: Table 4.4)*

The deposits pattern of SBL is in increasing order. In 2009 the deposits is increased by 55.89% than year 2008. Total deposit on the 2009 is Rs.15984.9 million. There are some major strategies that the bank had adopted so that the trend of deposit is increasing even the slowdown of economy. During various periods, Bank had better restructured the human resources for the collection of deposit. No of the branches were increased within and outside of the Kathmandu valley. Bank gave more focus on the remittance business. This not only helped to bring money but also helped a lot in deposit addition. In the mean time bank has launched new product of deposit scheme in attractive way such as Samridhi Nichyep Yogana, Sunaulo Nichyep Yogana, 100 Days Fixed Deposit etc.

#### **4.6 The Loan and advances pattern of SBL:**

**Table No. 4.6**  
**Loan an Advances Pattern of Siddhartha Bank Limited**  
(Rs. in million)

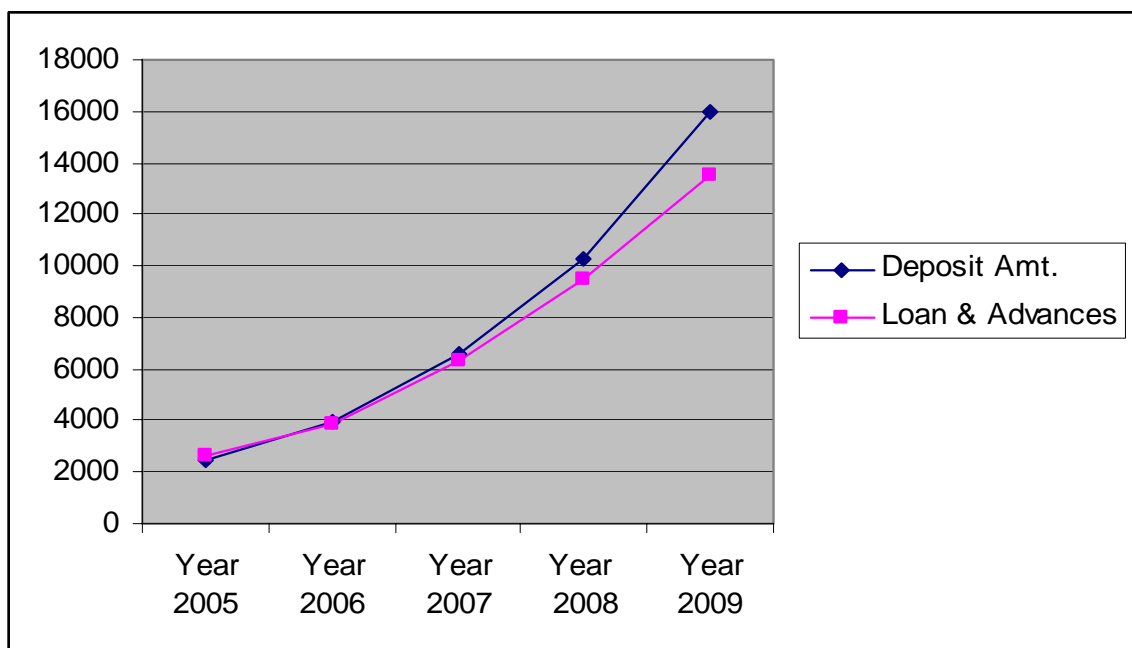
<b>Year ►</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Loan &amp; Advances</b>	2634.9	3869.3	6319.8	9480.8	13504.8

*(Source Annual report of Siddhartha Bank Limited and Banking & Financial Statistics of NRB, Mid Jan 2010. )*

The loan and advances of SBL is in increasing order. The deposits collected are utilized properly in the loan and advances. In 2006 the loans and advances was increased by 46.83 % than year 2005. Total loan and advances in 2009 is Rs. 13504.8million. The loan products such as corporate loans, retail loans (home loan, auto loan, mortgage loan, etc) and SME loan helped a lot to discover the fields to invest. The Bank’s credit portfolio looks quite a healthy mix of big and small loans. The Bank has a special package for small and medium sized enterprises; this package has been designed to suit the smaller businesses. Similarly, the Bank has a bit explored ways of promoting the deprived sector. On the corporate side, the Bank has been offering credit facility to big and small corporate houses of the country. Besides, SBL has also been involved in a number of constructions financing, especially financing huge projects requiring large commitments such as hydro power generation, tourism and cement factories.

**Figure No. 4.3**

**The Chart of Deposits, Loans & Advances of SBL**



*Source: Table No. 4.6*

#### 4.7 The Deposit Pattern of NIBL:

Table No. 4.7  
Deposit Pattern NIBL

(Rs. in million)

Year▶	2005	2006	2007	2008	2009
<b>Deposits▼</b>					
<b>A. Current Deposits</b>	1583.2	1705.6	2175.1	3138.7	3756.4
Domestic	1233.7	1307.0	1749.6	2590.1	2975.0
Foreign	349.5	398.6	425.5	548.6	781.4
<b>B. Savings Deposits</b>	6703.5	8082.0	10742.2	13688.8	17066.2
Domestic	6352.2	7695.5	10262.6	13060.1	15949.4
Foreign	351.3	386.5	479.6	628.7	1116.8
<b>C. Fixed Deposits</b>	3212.4	5413.0	7516.8	7944.2	11633.4
Domestic	2242.2	3293.4	5265.6	5789.3	8144.9
Foreign	970.2	2119.6	2251.2	2154.9	3488.5
<b>D. Call Deposits</b>	2469.7	3448.2	3683.1	9073.0	13513.9
<b>E. Others</b>	286.0	278.5	371.7	607.1	728.0
<b>Total (A+B+C+D+E)</b>	<b>14254.8</b>	<b>18927.3</b>	<b>24488.9</b>	<b>34451.8</b>	<b>46697.9</b>

Source: Annual report of Nepal Investment Bank and Banking & Financial Statistics of NRB, Mid Jan 2010.

Table No. 4.8  
Percentage of increasing in deposits

Year	Deposit	Increase	Percentage
2005	14254.8	-	
2006	18927.3	4672.5	32.77%
2007	24488.9	5561.6	29.38%
2008	34451.8	9962.9	40.68%
2009	46697.9	12246.1	35.54%

Source: Table No. 4.7

The above table shows the deposits collection of Nepal Investment Bank. The deposits pattern of Nepal Investment Bank is in increasing trend. The deposits pattern was increased by 35.54 % in 2009 then in 2008. Total amount of deposits till 2009 is Rs. 46697.9 million. As NIBL is the older bank, its deposit amount is comparatively greater than other banks. However there are various strategies adopted by the bank which helped to generate the deposit. During this period bank introduced new deposit schemes such as Ketaketi Bachat Khata, Afnai Bachat Khata, NIBL Saving Bonanza etc. These schemes not only helped to open more accounts but also to accumulate huge deposits. In addition, bank opened its many braches in and outside the Kathmandu Valley. This enabled bank to reach out to the more people. ATM facilities were also extended widely and their VISA Card and Master Card attracted customer to deposit here so that it became easy for them to use it anywhere. In addition, their adoption of latest banking software facilitated the customer and reliable.

#### **4.8 The Loan and Advances Pattern of NIBL**

**Table No. 4.9**

##### **Loan and Advance Pattern of NIBL**

(Rs in Millions)

<b>Year▶</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Loan &amp; Advances▼</b>					
<b>Total</b>	<b>10126.056</b>	<b>12776.208</b>	<b>17286.428</b>	<b>26996.652</b>	<b>36241.207</b>

*Source Annual report of Nepal Investment Bank Limited and Banking & Financial Statistics of NRB, Mid Jan 2010.*

**Table No. 4.10**

**Percentage of increasing in loan and advances**

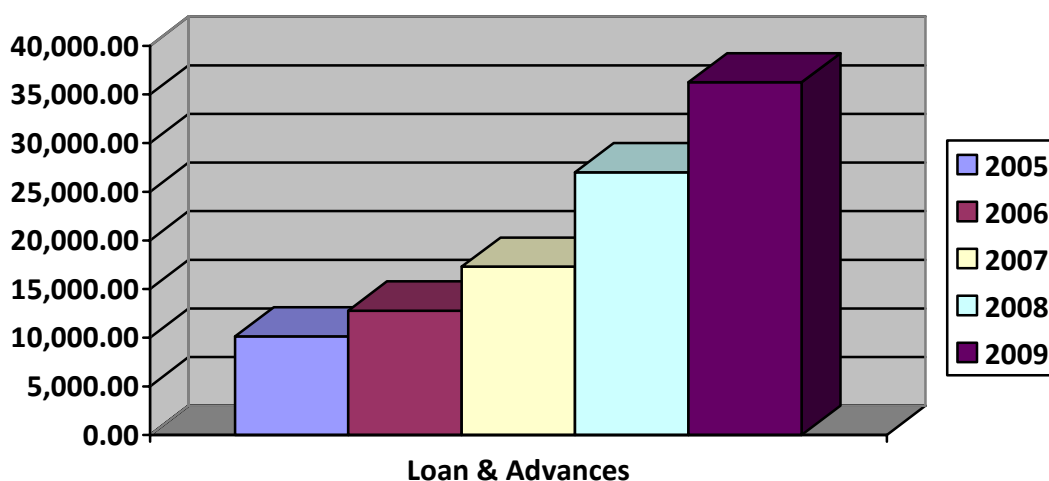
<b>Year</b>	<b>Loan &amp; Advances</b>	<b>Increase</b>	<b>Percentage</b>
<b>2005</b>	<b>10,126.056</b>	<b>-</b>	
<b>2006</b>	<b>12,776.208</b>	<b>2650.152</b>	<b>26.17%</b>
<b>2007</b>	<b>17,286.428</b>	<b>4510.22</b>	<b>35.3%</b>
<b>2008</b>	<b>26,996.652</b>	<b>9710.224</b>	<b>56.17%</b>
<b>2009</b>	<b>36,241.207</b>	<b>9244.555</b>	<b>34.24%</b>

*Source: Annual report of Nepal Investment Bank Limited and Banking & Financial Statistics of NRB, Mid Jan 2010.*

The loan and advances of NIBL is also increasing every year. In 2009 the loan and advances is increased than year 2008. In 2008 the loans and advances was increased by 56.17 % than year 2007. Total loan and advances in the mid Jan 2010 is Rs. 36,241.207 million.

**Figure No. 4.4**

**Chart of deposits and loan & Advances of Nepal Investment Bank**



*Source: Table No. 4.10*

## 4.9 Comparison of Deposits of NIBL and SBL

Table No. 4.11

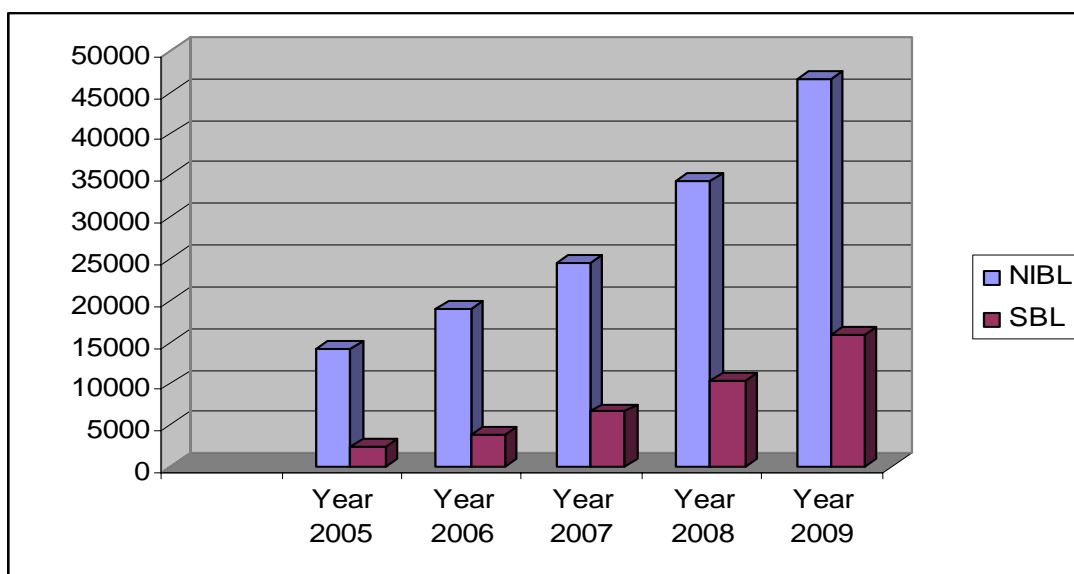
Comparison of Deposit of NIBL and SBL

Bank▶	NIBL	SBL
Year ▼		
2005	14254.8	2461.9
2006	18927.3	3918.1
2007	24488.9	6625.2
2008	34451.8	10253.5
2009	46697.9	15984.9

Source: Annual report of Nepal Investment Bank Limited and Banking & Financial Statistics of NRB, Mid Jan 2010.

Figure No. 4.5

Comparison of Deposit of NIBL and SBL



Source: Table No. 4.11

The deposits of NIBL are much higher than SBL but both the banks' deposits are in an increasing trend. This is because SBL is just new in the

market and NIBL is much older than SBL and the marketing of NIBL is also higher than SBL. NIBL has launched different schemes in the markets to different groups, age of peoples. SBL must have to make their marketing strategy to grow their deposits like NIBL.

#### 4.10 Comparison of Loan and Advances of NIBL and SBL:

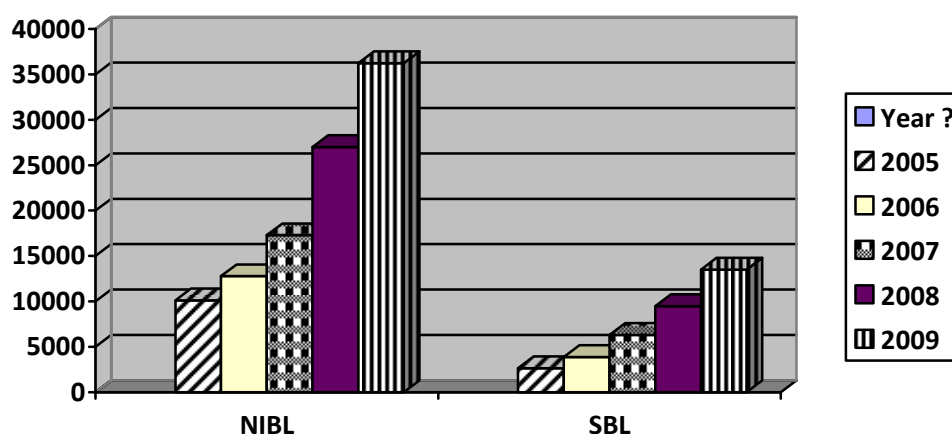
**Table No. 4.12**  
**Comparison of Loan and Advance of NIBL and SBL**

Bank ►	NIBL	SBL
Year ▼		
2005	10,126.056	2634.9
2006	12,776.208	3869.3
2007	17,286.428	6319.8
2008	26,996.652	9480.8
2009	36,241.207	13504.8

*Source: Annual report of Nepal Investment Bank Limited and Banking & Financial Statistics of NRB, Mid Jan 2010.*

**Figure No. 4.6**

**Comparison of Loan and Advance of NIBL and SBL**



*Source: Table No. 4.12*

The loan and advances of both the banks are on increasing trends. The increasing trend of NIBL is higher than SBL. NIBL can lend more loans because they have more deposits with them.

#### **4.11 Customer Survey:**

Researcher has visited different bank premises and put forward different questionnaires as given below to the customers and officials of the banks. Responses given by the respondents are given below:

##### **A) How do you know about the products of commercial Banks?**

The customer survey was done to know how the customers can know the launch of different products of the banks. Researcher has surveyed 100 different ages and groups of persons and find out the given data:

**Table No. 4.13**

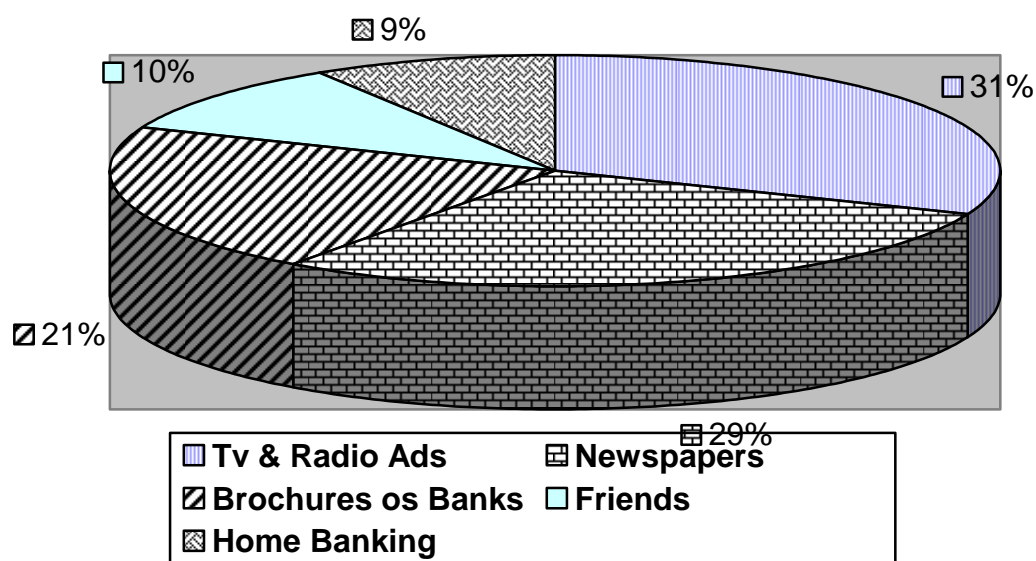
##### **Advertisement of the Banks**

<b>S.N</b>	<b>Medium</b>	<b>No. of Persons</b>
1	Television and Radio Ads	31
2	Newspapers	29
3	Bank Visits brochures of Banks	21
4	By friends	10
5.	Home Banking	9
	Total	100

*Source: Field Survey 2010.*



**Figure No. 4.7**  
**Advertisement of the Banks**



*Source: Table No. 4.13*

The product launched by different commercial banks is mainly published in daily newspaper and TV and radio. So, by this survey we can find that advertisement of new products in newspaper and TV and radio is beneficiary.

### **B) Why do people go to Banks?**

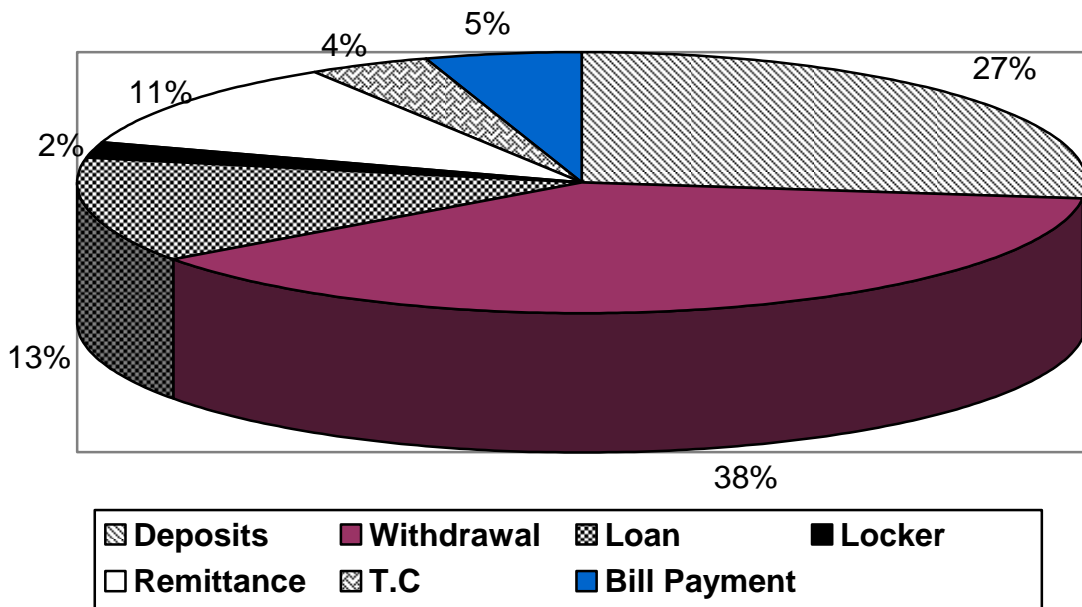
In this survey, researcher want to know that why the customers go to Bank? Banks provides different services in the market. Like deposits, withdrawal, loans, Locker and traveler cheque facility, remittance facility, bill payment etc. Researcher has surveyed 100 customers in Nepal Investment Bank and Siddhartha Bank Limited to know the reason which is as follows:

**Table No. 4.14**  
**Reason of Visiting Bank**

S.N	Reason	No of Customers
1	For Deposits	27
2	For Withdrawal	38
3	For Loan	13
4	For Locker Facility	2
5	For remittance	11
6	For Travelers Cheque	4
7	For Bill Payment	5
	<b>Total</b>	<b>100</b>

*Source: Field Survey 2010.*

**Figure No. 4.8**  
**Reason of Visiting Bank**



*Source: Table No. 4.14*

In this survey, Researcher found that most of the people visited to bank for deposit and withdrawals. 27 numbers of people has said that they are come to bank for deposit and 38 for withdrawal. We know that banks are the main collector of funds.

**C) Why do people deposit their money on the banks?**

This question was asked to 100 peoples in the market to know why the people deposits their money to the Banks, results is as follows:

**Table No. 4.15**

**Reasons for Depositing Money**

<b>S.N</b>	<b>Reasons</b>	<b>No. of People</b>
1	For Safety of money	72
2	For Interest	28
	Total	100

*Source: Field Survey 2010.*

People are much worried about the safety of their money. Hence, Security of the money is the main motive to the customers to deposits their money in the Banks.

**D) What services of the bank attract people?**

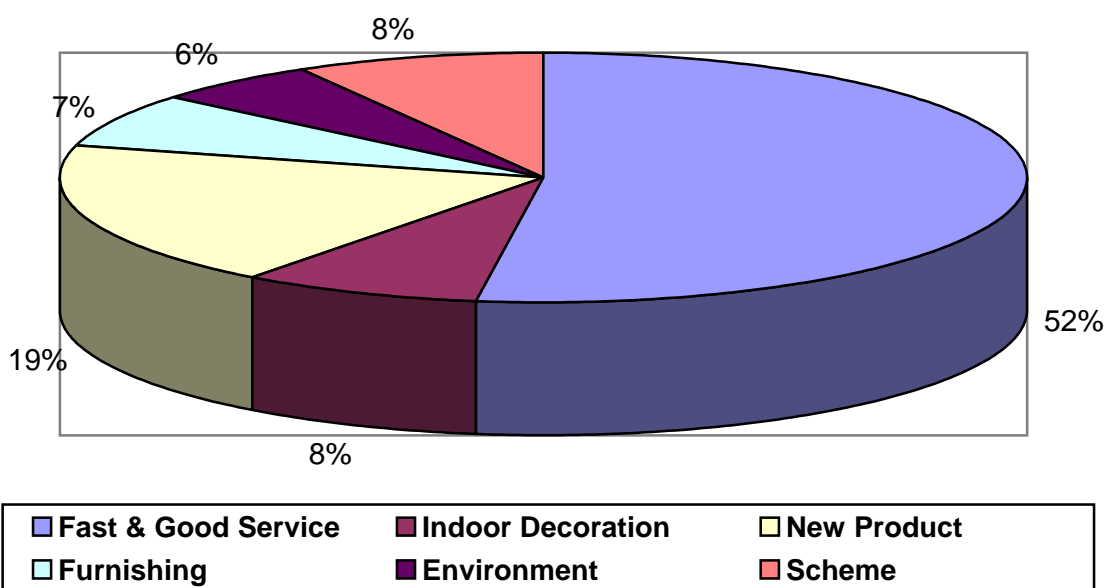
Researcher has asked this question to 100 peoples in and around the premises of the bank. Bank provides different services to the customers and customer's satisfaction is the must. Needs of customers is always changed, so researcher has asked this question to the people and got the following results.

**Table No. 4.16**  
**Attraction for Bank**

S.N	Facilities	No. of People
1	Fast & Good Service	52
2	Indoor Decoration	8
3	New Product	19
4	Furnishing of Bank	7
5	Clean Environment	6
6	Lottery Scheme	8
	<b>Total</b>	<b>100</b>

*Source: Field Survey 2010*

**Figure No. 4.9**  
**Attraction for Bank**



*Source: Table No. 4.16*

From the above table and chart we can find that the fast and good service of the banks attract people because now a days we know time is money and all the people are busy. They know the value of time. So, they are conscious of their time consumed by the bank. That is why, they need fast and good service.

### **E) Are People Using Internet Banking?**

This is the time of information technology and one can get his any information from the computers. All the banks have placed their information on internet. Banks has opened their websites, by which people can know anything about the bank in internet. Banks place their all information like their products, future plans, about themselves, staffs of the bank, their branches, their strategy to future etc in internet. Nowadays internet banking facility is in practice by most of the commercial banks. The percentage of the people use these sites are is as follows:

**Table No. 4.17**

#### **People on Internet Banking**

Bank Websites	No.
Using	27
Not Using	73
<b>Total</b>	<b>100</b>

*Source: Field Survey 2010*

As per survey, only 27% of the customers are using internet banking facilities given by bank. This is due to lack of knowledge, illiterate people, lack of communication etc. The people are not well known of the fact that there is also internet banking service provided by the banks.

### **F) Are you satisfied with the services provided by the bank?**

Researcher visited both NIBL and SBL bank and collected the following information.

**Table No. 4.18**

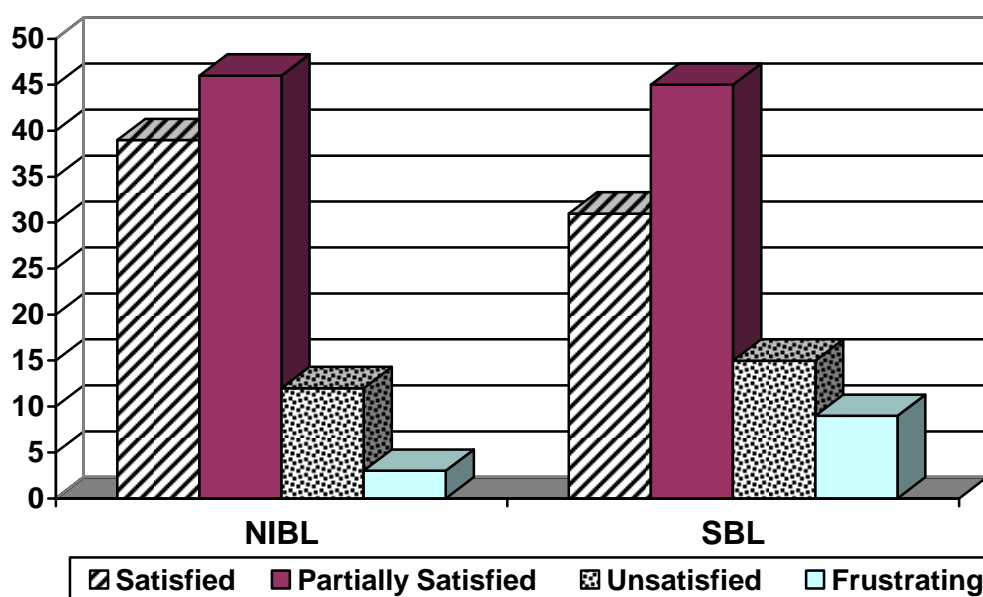
**People Perception on the Function of Bank**

Perception	NIBL	SBL
Satisfied	39	31
Partially Satisfied, Need Improvement	46	45
Unsatisfied	12	15
Frustrating	3	9
<b>Total</b>	<b>100</b>	<b>100</b>

*Source: Field Survey 2010*

**Figure No. 4.10**

**People Perception on the Function of Bank**



*Source: Table No. 4.18*

More number of the people are satisfied with NIBL and SBL however lot of people think that the bank has still more room for improvement. People receiving loan are found unsatisfied and even frustrated because of the increasing rates of interest on their loans.

### G) What New Product (Scheme) do you want in the market?

The survey was done in the bank premises of NIBL and SBL the reaction of 100 people is listed below.

**Table No. 4.19**  
**Peoples' Desire for New Product**

Product (Scheme)	No. of People
Good Interest in Saving A/C	32
Good Interest in Fixed Deposit	29
Scheme with Gift	24
Scheme with Lottery	15
<b>Total</b>	<b>100</b>

*Source: Field Survey 2010*

People are much interested in the interest rate of saving a/c. However some people are interested on increased interest rate of fixed deposit. In addition to that there were some portions of the people who are attracted on scheme like account with gift and lottery. These kinds of scheme donot attract larger mass however certain group of people could be harnessed.

### H) Does the competition in the banking sector benefit the customers?

The survey was done among 100 people which is listed below.

**Table No. 4.20**  
**Effect of Competition among Banks**

Benefits the customer	No. of People
Yes	53
No	22
Don't Know	18
Can't Say	7
<b>Total</b>	<b>100</b>

*Source: Field Survey 2010*

Most of the people think that competition will help the customer giving more choices of project. Customer can switch to the bank having better product. However some have the view that unhealthy competition will not help to boost the economy and the assets will shift to unproductive sector.

#### **4.12 SWOT Analysis of General Banks in Nepal:**

We know SWOT Analysis consists of:

- S = Strength
- W = Weakness
- O = Opportunities
- T = Threats

##### **Strength**

- Good marketing strategy which helps them to catch the target market.
- Focus on different groups of peoples, ages, genders.
- Fast and easy services, clean environment, different lottery schemes, ATM facilities, locker facilities.
- Highly motivated staffs.
- Potential customers of the banks.
- Goodwill of the bank.

##### **Weakness**

- Heavy competition
- High costing on marketing of the products.
- Lack of parking area.
- Too much crowd in the counters.



## **Opportunities**

- There come many opportunities on the daily working period. So, the marketing personals have to make such a strategy that they can cope any opportunities come to their way.

## **Threats**

Threats are also a part of SWOT analysis. There is always a threat in banking sector as follows:

- Threats of competitors.
- Change on Government rules, NRB rules etc in banking fields.
- The chances of failure of products/schemes in the market.

### **4.12.1 SWOT Analysis of NIBL:**

NIBL is one of the older bank of Nepalese banking sector. So that is has already earned some credibility. However it is much stereo typed. So it has got lot of challenges to cope with the present scenario in the competition with new emerging banks. SWOT analysis of NIBL is given below:

#### **Strength**

- NIBL has the good marketing strategy to catch the bigger mass of the market including different of peoples, ages, genders.
- It has got 39 branches all over in Nepal so that the customer has opportunity to deal the bank from the different part of Nepal easily. This has enhanced to increase the no. of account holders.
- Numerous ATM booth located in different parts so that customers could be benefited with easy access.
- There is no conflict in the management so that the policy is implemented easily and quickly.
- As of being the older bank, it has got experienced staffs.

- Good capital is deposited and Loans are invested on credible sectors.
- Because of the goodwill of the bank, it has got large no. of potential customers.

### **Weakness**

- Bank doesnot have new lucrative schemes as compared to other new banks.
- Because of low interest rates on deposit, new customers are not encouraged to deal with the banks.
- Bank doesnot have open recruitment policy. So the new staffs are not much competitive.
- Because of week HR Policy employees are not much encouraged in their further career.
- Because of control management and lack of autonomy to the staffs, they have less ownership towards bank.

### **Opportunities**

- Because of large deposit in the bank, it has got opportunity to have further investment.
- As the bank has less NPA, quality of credit is good.
- Even if the bank has low interest rate, it has become able to generate deposit because of its credibility in the market.
- If the bank comes up with even small schemes it can generate large deposit. The gap between interest of deposit and lending is high, so that bank has larger opportunity to earn more profit if it goes on larger scale.

## **Threats**

- Heavy competition in the market and bank not being come out with lucrative schemes, customers might switch to other banks.
- Because of lack of new marketing policies, the bank might not be able to attract new customers.
- Change on Government rules, NRB rules etc in banking fields.
- Because of low career opportunity and low salary, experiences and qualified manpower of the bank may switch to other banks.
- The chances of failure of products/schemes in the market.

### **4.12.2 SWOT Analysis of SBL:**

SBL is one of the emerging bank of Nepal. Because of its performance its credibility in the market is increasing. However there are lot of challenges to this bank due to the competition in the market. SWOT analysis of SBL is given below:

#### **Strength**

- SBL has the good deposit strategy to generate more deposit.
- In spite of being new bank it has been able to open 25 branches through out the country. This has helped the bank to lunch its products in the larger area of the country.
- Comparative stronger deposit being a new bank.
- Open recruitment policy enhancing selection of qualified staffs.
- Innovative Strategies lunched timely.
- Good motivation programs lunched for staff and shareholders.
- Good balance between interest rate of deposit and lending.

## **Weakness**

- More lending on private sectors. Inability to invest on safer sector.
- Not able to lend on bigger projects because of lack of deposit.
- Because of heavy cost on advertisement, it has not been able to enlighten its new product (scheme) in the market.
- Problem on matching with older banks in terms of physical infrastructure like, wider counters, adequate parking areas, numerous ATM booths, internal decorations etc.

## **Opportunities**

- Willingness of the management to become better.
- Increasing trend of deposit and lending pattern.
- Much part of the country is still isolated from banking. There is scope to widen its area of operation from where they can generate more deposit.
- Fluidity of the market in Nepalese context.

## **Threats**

- Heavy competition in the banking sector. There is threat of switching of customers of certain section to other emerging banks.
- Tendency of big houses to deal with many banks and the possibility to concentrate their business to other banks having better schemes.
- Periodic switching of qualified employers.
- Chances of product being failed, if better schemes not incorporated over it.
- Weaker national economy and strict and changing NRB regulation.

#### **4.13 Major Findings:**

From the above analysis researchers has found following major finding.

- Because of the goodwill of the bank, NIBL has emerged as second largest bank in deposit collection among the commercial banks of Nepal. This is not only the bank being the older bank, the sense of security felt by the customer.
- Because of the liberalized economy adopted by the state numerous banks and financial institutions have emerged in the country. As the market will itself make the most viable to withstand in the competition, there is lot of unfair competition among the banks. That is why the new banks has to come up with new schemes to compete with the old and stabilized banks. So that the new banks have better deposit schemes where as the old banks are trying to extend their influences on the wider areas. They are now opening new branches on the different locations of the country.
- Deposit Pattern of SBL is in increasing order in the last five years. Bank is making its foot stronger day by day. This achievement is because of the new schemes lunch by the bank like Samridhi Nischyep Yojana, Sunaulo Nischyep Yojana and various fixed deposit schemes.
- The pattern of Loan and Advances of SBL is also increasing. This had to be accelerated as the deposit was also increasing. Banks credit portfolio looks quite healthy with the mix of big and small loans. However the bank have also involved in huge projects such as Hydro, Tourism and Cement Factories.
- Deposit pattern of NIBL is increasing. This is because of goodwill of the bank as well as new schemes lunched recently like KetaKeti Bachat Khata, Afnai Bachat Khata and NIBL Saving Bonanza. In addition the bank has offered VISA card facility even applicable in

India. This has increased more deposit from the potential customers. NIBL has introduced Prithvi Remit. This scheme has also help to generate more deposit. Because of the establishment of more branches and ATM booths, the customer are more attracted to deal with NIBL even the bank's deposit interest rate are not so lucrative.

- Loan and Advances pattern of NIBL is also increasing. This is pushed as according to the increasing pattern of deposit. The bank is more focused on safer lending. The bank been investing in private sectors, financial institutions, non financial institutions and government organizations. The diversity on lending has made its investment safer.
- There is no match between the deposit amount of NIBL and SBL. NIBL has almost 3 times greater deposit then SBL. This is because NIBL is older bank, many branches and having more credibility on banking sector. However the percentage increase of deposit of SBL is greater then NIBL.
- The loan pattern of both banks are in ascending order as NIBL has larger deposit, it has larger lending also. NIBL has quality lending where as SBL has proportionately more lending on private sectors. SBL also has the strategy to invest on largest sector. Because of low deposit, the bank is much bounded in the smaller sectors.
- Newspaper, Television and Radio is quite commonly used for public information media. Other means of information is getting pace, however, bank should more focus on radio, television and newspaper for there advertisement.
- Bank has been providing different services, however the people are not much using other services then deposit and withdrawal.

- People are more concerned about safety of their money. Hence, even if the bank has low interest and various services, people are more attracted towards credible banks.
- People are more attracted by the fast and good services of the bank. However some scores of people are attracted with decoration and lucrative products.
- Because of the computer illiteracy, only few people have become able take advantage from internet banking. But new generation have used this facility. In the later years bank should facilitate easier internet banking.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

Commercial bank occupies quite an important place in the framework of every economy because it provides capital for the development of trade, industry and business, investing the collected saving as deposits. Besides these, commercial bank renders numerous services to their customers and shareholders in view of facilitating their economic and social life. All the economic activities of each and every country are greatly influenced by the commercial banking business of that country. Because of the better strategies adopted by various banks, the switching of customer from one bank to another bank is very rapid. So, all banks are bound to adopt new strategy to cope up with the market. Both NIBL and SBL are established commercial banks in Nepal. However because of heavy competition in the market they are adopting new strategies to achieve their vision and mission.

The researcher has identified that research problem and set objectives to solve research problems about different marketing strategies of sample banks i.e. Nepal Investment Bank Limited and Siddhartha Bank Limited.

To make this study more effective, related literatures have been reviewed. The review of literature provides the foundation of knowledge in order to undertake this research more precisely. Researcher has gone through the previous studies about marketing strategies of different commercial banks and has tried to fill the gap identified by the researcher.



Research methodology is a way to solve the research problems with the help of various tools and techniques. It includes the various financial as well as statistical tools to analyze the data in order to come to the decisions. This includes the research design, population and sample data collection procedure, data period covered and methods of analysis. These studies is mainly conducted on the basis of primary and secondary data collected from questionnaires (field visit) and annual reports of concern bank, official report, economic journal, financial statement etc. and authorize web sites.

The presentation and analysis of data has been made comparative analytical and their interpretation has been done by applying the wide varieties of methodology as stated above. It includes the various financial and statistical tools. Various statistical tools such as arithmetic mean, SWOT Analysis, Percentage Bar-diagram, Graph and Pie-chart have been applied to fulfill the objective of this study. The analysis has been done mainly through primary. The major findings of the study are also included in the final section of the presentation and analysis.

Today, due to the continued uncertainty, trade and industry have been affected and the business sentiments remained low. The liquidity in the banking system reminded very high due to sustained flow of inward remittance and pressure on interest increase. Competition in the banking sector is turned more intense and there is a continuous softening of interest rate both in deposits and advances. A race is witnessed among the banks to attract good quality consumers by quoting lower rates. The spread further narrowed down.

After the establishment of these banks, other new and old banks have begun computerizing their system. So, new banks have adopted new strategies such as, tele-banking, credit card and debit card system in

urban areas. Now these banks are oriented to follow up some developing techniques in banking sector. There are wide varieties of customers. Banks are trying to attract those customers by introducing new attractive schemes. It is even challenging for the old banks to hold their potential customers intact. For this also banks have adopted strategies to stick them in their banks.

Therefore, these banks are adopting new technologies, which make them competent enough to race in the market. They have been able to follow the guidelines issued by NRB that controls their operations. Since the banking business is flourishing in our country, its contribution to the economy is vital. Hence, banking sector hold a very strong and powerful future in Nepal provided good business environment should prevail in the country.

## **5.2 Conclusion**

By the analysis of data the following conclusion is extracted:

- Both SBL and NIBL offer as a full-fledged Commercial Bank. They provide services to clients such as: Credit and Advances, Consortium Finance, Working Capital Credit, Term Credit, Demand Credit, Trade Finance (Import/ Export), Hire Purchase, Credit and Letter of Credit, Bills Purchases, Bank Guarantee and others.
- Both of the banks major objectives are as to maximize the wealth of shareholders, to provide modern services to its customers, to help the monetary policy taken by the central bank 'NRB' and ultimately to help to reduce the poverty of the country.
- Banks are providing different types of deposits scheme and loan scheme in the markets to attract peoples. Banks are also

providing different types of facilities to the customers like locker facility, remittances facility, ATM facilities, 365 days banking, evening counter etc.

- Banks are providing their information on websites also.
- Many new and customer oriented products are being launched by both banks.
- Banks are providing different lottery systems, incentives, free debit cards etc to attract the customers. Banks are also providing facilities to paying the bills of telephones, mobiles etc.
- Most of the credit customers of the banks are satisfied with the banks. Customers suggested that bank should decrease its credit interest rates. As they complain that bank has decreased the deposits interest rate heavily but the credit interest rate has not lowered so much. Therefore sometimes they go under difficulty to pay the interest amount in time.
- People are more concerned about the safety of their money rather than interest rate. So that, the goodwill of the bank has helped a lot to generate more deposit in case of older bank in comparison to newly emerged banks.
- Because of the high competition in the market and high interest rates on private sector lending, new banks are investing more on private sector which is comparatively less secured.
- In the terms of liquidity, both of the banks (SBL and NIBL) are strong. They can satisfy the demand of current and saving depositors. Both of the banks have provided modern facilities to its customers and have used modern technology therefore they can attract good customers as compared to other banks.

### **5.3 Recommendations:**

#### **Increase more deposits:**

The main source of fund of commercial banks is collecting deposits from publics. Without enough deposits collection, bank cannot operate smoothly. So it is recommended to collect more amounts as deposits through large variety of schemes and facilities. Similarly, customization of credit card, provide facility of transfer money to their home who work/live in foreign country. The minimum amount needed to open an account should be minimized so that it will attract other smaller depositors and entrepreneurs for mobilizing their small investment.

#### **Liberal lending policy and sound credit allocation policy:**

Loans and advances are the main sources of income and also means of utilization of resources of commercial banks. Negligence in administrating these assets could be the cause of liquidity crisis in the bank and one of the main reasons of the bank failure. Collection of loan has been most challenging task for commercial banks these days, increase on non- performing assets discloses the failure of commercial banks in the recovery of loan.

#### **Innovative approach to bank marketing:**

In the light of growing competition in the banking sector the business of the bank should be customer oriented. Marketing is an effective to attract customers. Different marketing techniques like advertisement through audiovisual published websites, documentary etc. Similarly, draw attention of customers through new technologies like E-banking and Internet banking service increase investment through their wide range international banking method should be introduced.

**Expansion Branch:**

If the services of commercial banks expand all over the nation it will collect ideal money from different areas and can be utilized for income generation purpose. So the commercial banks should expand its branches all over the rural and urban areas.

**Conduct Research on the Market:**

We know market is always changing and customers needs also change. So, a wise marketer has to research the market time to time by which he can know the present scenario of the market and make the strategy as per the need of market.

**Information to the customers:**

Bank has to provide the banking information to the customer time to time by which they can know the latest scheme of the bank. Banks have to give their factual information to the customers.

**Incentives and gift scheme to be launch:**

Customers are attracted by different types of incentives and gift items. So, a bank has to launch the incentive and gift scheme to the customers.

**Interest Rate:**

Bank has to reduce interest rate on loans and increase interest rate on deposits by which they can earn deposits more and lend it to gain profit.

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## APPENDIX

Dear Respondent,

This Research study titled “**Marketing Strategies of Nepal Investment Bank Ltd. and Siddhartha Bank Ltd**” is undertaken to meet the requirement of MBS degree of Department of Management (TU). I therefore kindly request you to spare a few minutes of your valuable time to fill in this Questionnaire.

The information that you furnished will be used for Academic purpose only. Your identity will not be disclosed as the data will appear in the report in the aggregate form. I assure you that the given information will be used only for research purpose and will be kept strictly confidential.

Respondent’s name:

Respondent’s position:

Organization:

### Research Questionnaire

#### 1) How do you know about the products of commercial Banks?

- a) Television and Radio Ads
- b) Newspapers
- c) Bank Visits brochures of Banks
- d) By friends
- e) Home Banking

#### 2) Why do people go to Banks?

- a) For Deposits
- b) For Withdrawal
- c) For Loan
- d) For Locker Facility
- e) For remittance
- f) For Travelers Cheque
- g) For Bill Payment

#### 3) Why do people deposit their money on the banks?

- a) For Safety of money
- b) For Interest

**4) What services of the bank attract people?**

- a) Fast & Good Service
- b) Indoor Decoration
- c) New Product
- d) Furnishing of Bank
- e) Clean Environment
- f) Lottery Scheme

**5) How frequently do you go to bank?**

- a) Frequently
- b) Once in a week
- c) Once in a months
- d) Rarely

**6) Are People Using Internet Banking?**

- a) Using
- b) Not Using

**7) Are you satisfied with the services provided by the bank?**

- Perception
- NIBL
- SBL
- Satisfied
- Partially Satisfied, Need Improvement
- Unsatisfied
- Frustrating

**8) What do you think about the commercial banks in Nepal?**

- a) Should be given more privilege
- b) NRB should control more on management
- c) Should be extended upto international sector.
- d) Should be run as it is now.

**9) What New Product (Scheme) do you want in the market?**

- a) Good Interest in Saving A/C
- b) Good Interest in FD
- c) Scheme with Gift
- d) Scheme with Lottery

**10) Does the competition in the banking sector benefit the customers?**

- a) Yes
- b) No
- c) Don't Know
- d) Can't Say