



Munich Personal RePEc Archive

# **Comparison of Products Services Offered by Local and Foreign Banks in Pakistan**

Arshad, Muhammad Nadeem

19 August 2006

Online at <https://mpra.ub.uni-muenchen.de/116411/>  
MPRA Paper No. 116411, posted 20 Feb 2023 09:27 UTC

**COMPARISON OF PRODUCT & SERVICES OFFERED BY  
LOCAL AND FOREIGN BANKS IN PAKISTAN**

-----.

**MUHAMMAD NADEEM ARSHAD**

# TABLE OF CONTENT

<u>TOPICS</u>	<u>PAGE NO</u>
<b>Chapter # 1 (INTRODUCTION)</b>	
Introduction.....	03
Introduction of local banks.....	05
Introduction of foreign banks.....	11
Statement of problem.....	17
Significant of the study.....	17
Scope of study.....	17
Delimitations.....	18
Definition of terms.....	18
<b>Chapter # 2 (RESEARCH DESIGN)</b>	
Research design.....	21
Study settings.....	21
Respondent of the study.....	21
Research instruments.....	22
Treatment of data.....	22
<b>Chapter # 3 (LITERATURE REVIEW)</b>	
Local literature.....	24
Foreign literature.....	27
<b>Chapter # 4 (PRESENTATION ANALYSIS)</b>	
Home loan services by foreign banks.....	30
Home loan services by local banks.....	35
Auto loan services by foreign banks.....	39
Auto loan services by local banks.....	42
Cards by foreign banks.....	45
Cards by local banks.....	50

ATM services by foreign banks.....54  
ATM services by local banks.....57

**Chapter # 5 (CLOSING UP)**

Summary of findings..... 62  
Conclusion.....64  
Recommendations..... 66  
Bibliography..... 70  
Appendix..... 71  
    ➤ Questionnaire about Home Financing..... 72  
    ➤ Questionnaire about Auto Loan..... 73  
    ➤ Questionnaire about Card Services..... 74  
    ➤ Questionnaire about ATM's..... 75



## **CHAPTER # 1**

### **BACKGROUND OF THE SUBJECT / TOPIC AND STATEMENT OF THE PROBLEM**

This chapter includes introduction, statement of problem, significant of study, scope, delimitations and definition of terms.

## **1.1 INTRODUCTION**

### **Brief History:**

It has not so far been decided as to how the word “bank” originated. Some authors opine that this word is derived from the words “bancus” which mean, “bench”. The explanation of this attributed to the fact that the Jews in loan barby transacted, the business of money exchanges on benches in the market place and when the business failed, the people destroyed the “benco”.

Other authorities hold the position that the word “bank” is derived from the German word “back” which means joint stock fund. Later on when the Germans occupied major part in Italy, the word “back” was italianated into “bank”.

The essential function of a bank is providing services related to storing of value and extending credit. The evolution of banking dates back to the earliest writing and continues in the present where a bank is a financial institution that provides banking and other financial services. Currently the term bank is generally understood an institution that holds a banking license. Banking licenses are granted by financial supervision authorities and provide rights to conduct the most fundamental banking services such as accepting deposits and making loans. There are also financial institutions that provide certain banking services without meeting the legal definition of a bank, a so-called non-bank. Banks are a subset of the financial services industry.

Typically, a bank generates profits from transaction fees on financial services or the interest spread on resources it holds in trust for clients while paying them interest on the asset.

The consumer banking activities has enhanced as many players are coming up with branded products. The competition in this area has intensified as larger banks continue to play a significant role by improving the quality of products and services they offer. New players have joined them with innovative solutions and new services benchmarks. Competition in this area is expected to get fiercer. The winners will be those who could excel in customer services, improve quality of products and continue innovations.

It is clear that all the local and foreign banks are making every possible effort to be in the race for survival. And there are new banks coming in Pakistan so that the competition between the local and foreign banks is increasing day by day.

### **Types of Bank:**

Primary all banks gather temporarily idle money for the purposes of lending others and investing which bring gain in the form of return, profit & deviants etc. However, due to the variety of resources of money and the diversity in lending and investment operations, bank have been placed in various categories such as,

- Commercial banks
- Saving banks
- Merchant banks
- Mortgage banks
- Consumer banks
- Investment banks
- Central banks

For the purpose of doing the research I have taken **six** banks to compare them among their services & products. They are as follow

### **Local Banks:**

- Muslim Commercial Bank
- United Bank Limited
- Habib Bank Limited

### **Foreign Banks:**

- Citibank
- Standard Chartered Bank
- Bank Alfalah Limited

## **1.2 INTRODUCTION OF BANKS (LOCAL)**

### **HABIB BANK LIMITED**

#### **Brand & history:**

The Habib Bank Group is a leader in Pakistan's services industry. An extensive network of 1425 domestic branches – the largest in Pakistan – and 55 international branches has enabled HBL to provide comprehensive services that meet customer needs. This has ensured thriving client relationships that form the backbone of the Bank's operations.

Today, HBL plays a central role in Pakistan's financial and economic development. It has come a long way from its modest beginnings in Bombay in 1941 when it commenced operations with a fixed capital of 25,000 rupees.

Habib Bank has been a pioneer in providing innovative banking services. These have included the installation of the first mainframe computer in Pakistan followed by the first ATM and more recently, internet banking facilities, in all our 1425 domestic branches. And also more recently value Debit Card is main product for their customers with extra features in this card.

The Bank's towering presence in Pakistan's financial and commercial life has remained unchanged over the decades. The strength of its brand and image is symbolized by its prominent Head Office building that has dominated Karachi's skyline for 35 years.

#### **Mission:**

To be recognized as the leading financial institution of Pakistan and a dynamic international bank in the emerging markets, providing our customers with a premium set of innovative products and services, and granting superior value to our stakeholders – shareholders, customers and employees.



## **Values:**

HBL is firmly grounded with a corporate philosophy that incorporates five solid values which each individual associated with the bank abides by.

- **Humility**

We encourage a culture of mutual respect and treat both our team members and customers with humility and care.

- **Integrity**

For us, integrity means a synergic approach towards abiding our core values. United with the force of shared values and integrity, we form a network of a well-integrated team.

- **Teamwork**

Our team strives to become a cohesive and unified force, to offer you, the customer, and a level of service beyond your expectations. This force is derived from participative and collective endeavors, a common set of goals and a spirit to share the glory and the strength to face failures together.

- **Culture of Innovation**

We aim to be proactively responsive to new ideas, and to respect and reward the agents, leaders and creators of change.

## **Social commitment:**

- Sports
- Health
- Education
- Culture
- Promotional support
- Other contributions

## **UNITED BANK LIMITED**

### **History:**

United Bank Limited is one of the largest commercial bank in the country. With almost forty-six years of good standings to its valued clients, it has stood the test of time, producing assets of over Rs.300 billion. UBL started their activities from November 7, 1959. An extensive network of 1000 domestic branches all over Pakistan and 15 overseas branches as part of global network to provide comprehensive services that meet customer needs.

In UBL you get friendly, efficient and attractive personalized banking services – a unique banking relationship experienced by each UBL client.

You can utilize the following services:

- ❑ UBL Money
- ❑ UBL Business line
- ❑ UBL address
- ❑ UBL Drive
- ❑ PLS Term Deposit
- ❑ PLS Saving Accounts
- ❑ Uni-Saver
- ❑ Remittances
- ❑ UBL Cash line

The CBG department of UBL defines corporate banking in Pakistan. Amongst the local banks UBL CBG is the pioneer in providing innovative solutions to its diversified and satisfied customer base. UBL CBG is considered to be a major player in the financial market of Pakistan.

The Corporation Banking Group focuses on attracting and servicing large portfolio customers. Our forte is providing exemplary customer service using the “Single Window” concept and product superiority. The relationship management team manned

by highly qualified individuals from the industry has steadily expanded our customer base and continues to enhance our cordial relations with our esteemed clients.

UBL's appetite for large exposure coupled with dedicated Structured Finance Unit, and an innovative team of professionals having extensive experience of Corporate Banking gives it the right platform to succeed in today's competitive and a demanding environment.

**Mission:**

To serve all your corporate needs and ensure your full satisfaction through product innovation, personalized banking, and top notch service.

**Product Range:**

When you come to UBL, you get a full range of products and services to choose from:

- ❑ Corporate Finance
- ❑ Finance/Credit Extension
- ❑ Trade
- ❑ Investment/Cash Management

**Relationship Banking:**

This forms the pillar of our strategy, as it is the primary tool towards providing you full satisfaction.

Relationship Banking involves:

- ❑ Assessing and understanding customer needs
- ❑ Providing you advice on your business needs
- ❑ Helping you find viable financial solutions for your business problems
- ❑ Acting as the primary contact for you

# MUSLIM COMMERCIAL BANK

## **History:**

MCB has an edge over other local banks, as it was the first privatized bank. The State Bank of Pakistan has restricted the number of branches that can be opened by foreign banks, an advantage that MCB capitalizes because of its extensive branch network.

Ten years after privatization, MCB is now in a consolidation stage designed to lock in the gains made in recent years and prepare the groundwork for future growth. The bank has restructured its asset portfolio and rationalized the cost structure in order to remain a low cost producer.

MCB now focuses on three businesses namely Corporate, Commercial and Consumer Banking. Corporate clientele includes public sector companies as well as large local and multinational concerns. MCB is also catering to the growing middle class by providing new asset and liability products. The bank provides 24 hour banking convenience with the largest ATM network in Pakistan covering 41 cities with over 225 ATM locations.

MCB has a wide range of online services like ATMs, Mobile Banking, Call Center, Virtual (Internet) Banking and a host of Cards to suit every need.

MCB looks with confidence at year 2005 and beyond, making strides towards fulfillment of its mission.

## **Mission:**

To become the preferred provider of quality financial services in the country with profitability and responsibility and to be the best place to work.

## **The Business:**

MCB is in its over 50 years of operation. It has a network of over 900 branches all over the country with business establishments in Sri Lanka and Bahrain. The branch break-up

province wise is Punjab (57%), Sindh (21%), NWFP (19%) and Baluchistan (3%) respectively.

### **Principle Of Performance:**

#### **□ Customer Focus**

Over the years MCB has developed strong relationships with its customers by understanding their needs and treating them with respect, dignity and importance. The driving force behind its commitment and services is its focus on customers, ensuring that it not only meets, but also exceeds their expectations.

#### **□ Quest For Quality**

We strive to achieve excellence by ensuring that every moment of our time is spent in adding value, making sure that we do things right, first time, every time.

#### **□ Employees Respect**

We encourage diversity and treat each of our employees with finance. We give constructive feedback for their continuous development and seek suggestions from all employees for further improvement.

#### **□ Good Corporate Citizenship**

We seek to continuously improve the quality of life in our communities, where we live and work.

### **Understanding MCB:**

Today banking all about understands. Understanding the contemporary and localized markets. It's about talking to the consumers, reaching out to them; giving them quality time; it's about focused approach and targeted results. It's about communication to foster lasting relationship. It's about working as a team having no barriers, no boundaries. At MCB, everything we do is rooted in our values and a true understanding of this diversified market. At the core of it lie not only achieving successful results, but also the curiosity to delve into consumer's insights for a better and simpler lifestyle.

## **1.3 INTRODUCTION OF BANKS (FOREIGN)**

### **BANK ALFALAH LIMITED**

#### **History:**

Bank Alfalah Limited was incorporated on June 21st, 1997 as a public limited company under the Companies Ordinance 1984. Its banking operations commenced from November 1st, 1997. The bank is engaged in commercial banking and related services as defined in the Banking Company's ordinance, 1962. The Bank is currently operating through 104 branches in 36 cities, with the registered office at B.A. Building, I.I. Chundrigar, and Karachi.

Since its inception, as the new identity of H.C.E.B after the privatization in 1997, the management of the bank has implemented strategies and policies to carve a distinct position for the bank in the market place.

Strengthened with the banking of the Abu Dhabi Group and driven by the strategic goals set out by its board of management, the Bank has invested in revolutionary technology to have an extensive range of products and services.

This facilitates our commitment to a culture of innovation and seeks out synergies with clients and service providers to ensure uninterrupted services to its customers. We perceive the requirements of our customers and match them with quality products and service solutions. During the past five years, we have emerged as one of the foremost financial institutions in the region endeavoring to meet the needs of tomorrow today.

#### **Bank Alfalah Branch Network:**

The Bank is fully aware that the branch network has direct implications on the services that it provides to its customers. We offer services through a network of 131 branches and 55 state of the art ATM machines.

### **Credit Rating:**

The Bank Alfalah Limited's long term rating increased to **AA** in the long term and **A1+** in the short term. These ratings have been assigned by PACRA, Pakistan's leading rating agency. These ratings denote better risk absorption capacity stemming from enhanced equity as well as well-maintained credit portfolio.

### **Chairman's Message:**

“Our core philosophy of honesty, transparency in customer dealings, product innovation, excellence in customer service and our commitment to being a responsible corporate”.

Since the inception of Bank Alfalah, by the grace of the Almighty, we have moved rapidly in expanding our branch network and deposit base, along with making profitable advances and increasing the range of products and services. We have made a breakthrough in providing premier services at an affordable cost to our customers.

Keeping in view our valued clients and the need for constant and effective communication of information, we have designed this website to be as user-friendly as possible.

As we pursue the path of excellence, customer satisfaction remains our priority. It is only when we know our customers better, can we deliver a higher quality of services, thereby adding synergy to our existing management expertise, financial strength and profitability.

This is yet another channel of communication for the delivery of quality products and services that enhance value to our stakeholders.

***H.E. Sheikh Hamdan Bin Mubarak Al Nahayan***

# **CITIBANK**

## **History:**

For more than a century, Citibank has helped customers and clients access, build and manage assets. Citibank is the first financial services company in the U.S. to bring together banking, insurance, and investments under one umbrella.

With the most diverse array of products and the greatest distribution capacity of any financial firm in the world, our 300,000 employees manage 200 million customer accounts across six continents in more than 100 countries.

The Citibank, one of the largest private banking businesses in the world, provides personalized wealth management services for clients through its nearly 470 private bankers and 290 product specialists in more than 30 countries. The Citibank Private Bank offers unmatched global reach, coupled with a broad range of portfolio management and investment advisory services from Citibank Asset Management, an array of structured lending and banking services, as well as expertise from the Global Corporate and Investment Bank. Citibank Private Bankers act as trusted advisors, designing and coordinating insightful solutions for individual client needs, with an emphasis on personalized, confidential service.

## **Vision:**

Over the next ten years, Citibank will touch the lives of millions of people by supporting financial education that will help them achieve their dreams.

## **Belief:**

Knowledge is your greatest asset.

We support financial education because it helps people understand how to use financial resources, and in the process, raises the quality of life for individuals, families, and institutions and strengthens communities around the world. Financial education is a



natural extension of the work we do every day and a major focus of our effort to make a difference in the communities where we live and work.

**Focus:**

- **Personal:** helping people save, invest, borrow, and spend wisely, and manage debt responsibly.
  
- **Small Business:** helping entrepreneurs save, invest, and secure financing to better manage their capital and grow their businesses.
  
- **Institutional:** supporting programs that assist governments, academic and financial institutions, and non-profit organizations to promote knowledge and sound management of economics, markets, and financial systems.
  
- **Reach:** In 2003, Citibank provided more than \$14 million in support for financial education programs and activities that reached millions of people in more than 40 countries on six continents.

As the largest financial services company in the world, we're in a unique position to make a difference. We have 275,000 employees with an extraordinary record of community involvement and volunteerism.

Citibank also announced a global initiative designed to encourage our employees around the world to devote time to support financial education and other charitable causes. Under this new initiative, employees will be able to take a day off each year to volunteer for a non-profit organization.

# **STANDARD CHARTERED BANK**

## **Overview:**

Standard Chartered is the largest International Bank in Pakistan. We are also the oldest foreign banks, with a presence of more than 150 years in this region. Standard Chartered employs more than 600 people and has 31\* online branches in Pakistan, 12 in Karachi, 9 in Lahore, 3 in Islamabad, 2 in Rawalpindi, 1 in Quetta, Peshawar, Sialkot, Faisalabad and Hyderabad.

Our success is built on our ability to provide you with superior, differentiated financial solutions in the markets we serve. This has propelled us to become market leaders in Pakistan. By continuously assessing your needs, we have been able to introduce innovative new products and channels.

Central to this service philosophy is the consultative approach we take with each customer. By getting to know you better, we can identify your needs and match them with tailor-made product and service solutions.

## **Consumer Banking:**

We have more than 150,000 branch banking and 155,000 credit card customers. We provide mortgages, credit cards, personal loans, auto loans, deposit accounts, and wealth management products. In order to maximize customer convenience, we offer 24-hour phone banking, e-statements, mobile banking, ATM cards, and debit cards, as well as 31 online, state of the art branches.

## **Objective:**

Is to offer outstanding value to our customers by providing knowledge, efficient and reliable service in a personal, helpful and responsive manner.

## **Core Values:**

### **□ Creative**

Creative thinkers are not limited by convention. They allow their minds to soar beyond predictable solutions. That's how we approach each challenge posed to us, which is why we base our products and services on ideas that are innovative, perceptive and instinctive.

### **□ International**

We understand the balance between global and local. You trust us to be established and internationally networked, while at the same time sensitive to your individual needs. Our strong network across cultures helps us build stronger relationships based on ideas, not formulate.

### **□ Responsive**

We are good on our word. We are accessible whenever and wherever you need us. Not only do we strive to deliver solutions, we also aim to exceed your expectations.

### **□ Trust Worthy**

We respect you, and the life you live. By understanding your needs and tailoring the right financial solutions for you, we earn your trust.

## **Services:**

At Standard Chartered Bank we believe in being able to keep abreast with rapidly evolving business sector of Pakistan and our aim remains to being customers exclusive services to meet their ever-growing banking needs swiftly and conveniently.

We understand that in today's fast moving world, the customer's time is precious. This is why we are constantly finding new ways to improve our services and make things simpler by reducing the time you spend in branches and by offering innovative products and services.

## **1.4 STATEMENT OF PROBLEM**

The topic, which I am choosing is “ Comparison of services and products offered by Local and Foreign Banks in Pakistan”.

So that the research study is based on this topic, and the objectives of this research study is to find out the following

- ❑ To explore the changes in the infrastructure of these banks.
- ❑ How different types of innovations are playing its part in these banks?
- ❑ To compare the satisfactory functions of all the customers both local & foreign banks.
- ❑ To explore the services these banks are offering to their customer in Pakistan.
- ❑ What products are designed to provide better services?

## **1.5 SIGNIFICANCE OF STUDY**

This research provides a bird eye, view to understand the banking sector of Pakistan in the current scenario. The all commercial banks might benefit from this study and some retail store as well all individuals and organizations associated with other service-related industries would also benefit with this study.

And to find out what is being done by the industry to cater to the need of the customers and how should they position their products that are satisfying their customers.

This research studies only give you or shows a broad picture of the problem. And this research study is conducted in Karachi.

## **1.6 SCOPE OF STUDY**

The study is to analyze the trends of different Local and foreign banks from the time they started their activities and the main focus on the services and products offered by these banks last two to three years.

The study is limited to extend of Local and foreign banks operating in Karachi only. These banks are following

- ❑ Habib Bank Limited
- ❑ United Bank Limited
- ❑ Muslim Commercial Bank
- ❑ Citibank
- ❑ Standard Chartered Bank
- ❑ Bank Alfalah Limited

### **1.7 DELIMITATIONS (limitation)**

The services and products are always effective when it comes on time if it comes earlier or late it is not effective as much as, because if it comes earlier than employees and people don't have awareness about it and if it comes late then competitor have got advantage by this. So delimitation is that research will not effective for long time because of technology may be outdated and innovated new services & products.

### **1.8 DEFINITIONS**

#### **❑ Privatization**

The transfer of activities those were formally associated with the government to the private sector.

#### **❑ Nationalization**

The transfer of activities to the government and public sector that were previously associated with owners/manufacturers/employees.

□ **Commercial Banks**

Banks originated chiefly to handle everyday financial transactions of businesses through demand deposit accounts and short-term commercial loans.

□ **Nationalized Commercial Banks**

These are those banks that are still operating under government control.

□ **Services**

Are activities that are especially designed to meet the specific needs of people with disabilities? A service is always provided through some type of formal system, which often has criteria that a person must meet to be eligible to receive the service. Because these services have a cost (borne by the state or federal government or by a third party), they are sometimes referred to as paid supports. Services are also limited in the amounts, times and places where they are available. Services may be provided in the person's home, elsewhere in the community or in designated special care settings.



## **CHAPTER # 2**

### **RESEARCH – METHODOLOGY & PROCEDURES**

This chapter includes research design, study setting, and respondent of the study, research instruments and treatment of data.

## **2.1 RESEARCH DESIGN**

Research design provides the glue that holds the research project together. A design is used to structure the research, to show how all of the major parts of the research project – the samples or groups, measures, treatments or programs, and methods of assignment – work together to try to address the central research questions.

I have done the research in a way to cover all the important aspects of the study. It has considered that it serve the purpose practically and were be in the line with the objective of the study. While development the comparative analysis, it should keep in mind that this project will make real contribution to the existing practice.

The present study is a descriptive study; an exploratory study attempts to explore the different facts involved in a particular problem or field and attempts to establish a correlation among technology, efficiency & profitability of banks. In the present study my entire attention to explore some of the important factors of services and products of the banks. Customers get more satisfaction if banks offer good services and products.

## **2.2 STUDY SETTING**

The study had done in the natural environment where work proceeds normally, that is in a non-contrived setting. The main objective behind it; to provide complete information about the financial services of all the considered banks (local & foreign) with similar services and products comparison study to enhance the knowledge of the new customer.

In this study report the material were gather on the basis of unstructured face-to-face interviews, secondary data, and analysis of books, brochures, the websites.

## **2.3 RESPONDENT OF THE STUDY**

The respondent of my study was being the Manager's, Customers, Internet, which helps me in research, and other queries, which were arise in my research study.



## **2.4 RESEARCH INSTRUMENTS**

To evaluate this study I used qualitative and less quantitative methods and analysis was used to conduct the research. Many data collect from following sources:

□ **Secondary Instruments:**

- a) Newspaper
- b) Internet
- c) Websites
- d) Professional journal and magazines
- e) Articles

□ **Primary Instruments:**

- a) Surveys
- b) Unstructured interviews
- c) Observations

## **2.5 TREATMENT OF DATA**

The data has been gathering from the primary as well as from secondary sources would mostly treated qualitatively. No statistical but some or little numerical approach was use for the interpretation of the data of this research study.



## **CHAPTER # 3**

### **REVIEW OF LITERATURE & STUDIES**

This chapter includes local literature and foreign literature.

### **3.1 LOCAL LITERATURE**

#### **“CONSUMER BANKING IN PAKISTAN”**

A Marketing Review Article By S. Imran Ahmed

Over the last 5 years, Pakistan witnessed a phenomenal growth of consumer banking. This unprecedented development has followed privatization of nationalized banks, banking reforms brought about by the State Bank of Pakistan and an increasingly marketing-oriented approach primarily aimed by banks at a large urban consumer base.

Be they large or small bank, multinational or local, each one of them is geared towards making its mark in an already competitive environment that is the outcome of consumer banking. Multinational banks such as ABN AMRO, Citibank and Standard Chartered have the support of the knowledge base and funds of their foreign principals, which made them first to introduce products, services and innovative technologies to their consumer base (Ali and Khalidi, 2020).

Hot on the heels were the newly privatized banks, UBL, HBL and MCB, which have embarked in consumer financing activities in not just big cities but smaller ones too, by virtue of their huge branch network. In doing so, they have generated huge volumes of business while at the same time driving down the prices of the products they offer. For instance, in 2002, HBL's consumer banking portfolio was worth less than a billion rupees. By the end of 2004, it is worth Rs.17 billion. Similarly, since 2003 when it was privatized, UBL has launched 12 to 14 new products and according to its Deputy Chief Executive M.A.Mannan, each one of them has been a market leader on month-to-month acquisition volume. And where the local banks such as Soneri, Askari and Union lack in technology, they make up by offering similar services at a much lower costs in our urban centers

While the foreign banks have played the pipers' role when it comes to introducing new products, they have targeted the same segment, which may be one of their limitations in

this area. On the other hand, industry experts predict that the real growth will come from local giants such as the UBL, HBL and MCB, which have the necessary experience and knowledge of customizing products to specific local preferences.

### **Prodigious Advertising:**

One factor that has led to an incredible upsurge of consumer financing products has been the drastic reduction in the qualification benchmarks for premium products such as credit cards. For instance, back in the 1990s when consumer banking was still in its undeveloped phase, only three banks were offering credit cards and they were all multinational concerns. That was the time when the size of the total portfolio was a mere 200,000 cards. The scene all of a sudden changed when Bank Alfalah launched a no fee credit card and its consumer base ballooned to 100,000 new consumer (Ali, 2012b). The success of no fee credit card was followed by low interest packages on automobile loans and home loans. Things would never be the same again.

Today, by investing prodigiously on advertising and sales promotion efforts, banks have created awareness about their product menus in a huge way. Now personal loans have longer tenures and posse's easy payment options, along with many other inducements. Yet with so many banks offering the same product, how does one bank differentiate its portfolio from its competitors? The answer lies in differentiation, which in turn is created by continuous innovation and of course a deep insight of consumer needs and requirements be the advertising is BTL or ATL. (Khurram, Jafri, Ali and Shah, 2021) "Apart from that, customer relationship management is one area in which the banks need to raise their bar especially when loyalty thresholds are low". Many consumers have expressed their reservations about the low level of service and don't think twice when it comes to switching over to other banks. The lesson: Never trust a bank on face value or simply what they boast in ads (Ali, Khan, Shah and Ahmad, 2021).

### **The Image Factor:**

When all is said and done, banks still have to concentrate on continuous product development to retain their customers. The logic is simple: While advertising helps to build the image, it is the product that sustains that particular image. "Banks also need to remember that while advertising works big time to attract both old and new customers, word-of-mouth remains the most effective way of communication for their products and

offerings”. So while big names continue to spend their huge advertising budget to promote their products, they also face competition from smaller banks (with less advertising budget) whose terms and conditions may turn out to be more attractive especially for consumers with less money. At the end of the day, however, it is the quality of service and quick turnaround time that will make the consumer an ardent customer of any bank’s products and services (Ali, Iqbal and Qazi, 2014).

It has been nearly five years since banks started emphasizing on consumer financing and although majority of our population do not have the means to cash in on this development, there are many and especially the rising middle class who have started utilizing their services for improving their lifestyle. Currently, the default rate is low. For instance, in the auto-financing sector, the recovery rate is around 97% and even if the customer is unable to pay up, with a mortgage the bank can always foreclose one’s property (Ali, 2012a). Some industry experts, however, say that the real test of default will come once the products started ageing and people will start getting tired of long loan repayments.

Now what does the future hold for consumer financing? Have the banks done enough homework to create awareness about their products through right strategies? Some top-notch banks continue to hire professionals who have worked laboriously on brand development and building identities for their products. And to a great extent they have succeeded, although the sky remains the limit when it comes to exploring the full potential of consumer banking because a large portion of urban Pakistan still remains untapped. Aggressive marketing along with an effective and innovative mix of ATL and BTL has to continue at an impressive enough pace (Ali, Iqbal and Qazi, 2014). The best, however, is yet to come.

## **3.2 FOREIGN LITERATURE**

### **“TARGETING THE MARKET: THE BANKING INDUSTRY TAKES A "GO GET 'EM" APPROACH TO CONSUMER MARKETING - BANKING”**

Brief Article New Mexico Business Journal, March, 2002 by Susan Craig

Banks are a business like any other; they have services to sell and they need customers to buy them. Seeking the consumer's dollar in the face of tough competition is the province of the marketing people, and the marketing of banks is as varied as the number and type of banks out there.

Three basic questions form the basis of a bank's plan to attract--and keep--customers. What does our bank offer? Which customers do we seek? How will we reach them?

"Most banks' focus comes from their strategic plan, wherein they decide what they're going to be and who they're going to serve," says Dominic Bernardi, president and chief executive officer of the Western States School of Banking at the Anderson School of Management, University of New Mexico. "Some banks take the all-things-to-all-people approach, but if you look closely, they're focusing on certain things. A bank has to decide if it is to be a commercial- or retail-oriented bank, then develop its image."

Banks all offer a basic menu of services, which serves as the "floor" of the marketing plan. The largest banks in New Mexico, such as Bank of America and Wells Fargo, view their huge line of services as a selling point, while community banks like Four Corners Community Bank in Farmington and American Heritage Bank in Clovis are pleased to market a shorter list of offerings tailored to their small-city customers. In these days of electronic banking, most banks can, if they choose, offer their customers pretty much any service. The trick lies in taking a good look at the customers they'd like to serve.

A corollary to targeting customers by category is setting a goal for the number of them the bank wishes to garner. This market share can be very specific--Bank of America wants its growth in each market to equal or exceed that market's growth, Wells Fargo's goal is to be able to find one of their banks within 150 miles throughout the state, and Bank 1st has a market share goal of

five percent or less. Other market share goals are stated in terms of general growth and expansion, or the desire to reach out to as many customers across the board as possible (Ali, Khan, Shah and Ahmad, 2021)

The means by which banks draw in their desired customers form the practical heart of their marketing plans. Marketing includes advertising, public relations and community involvement, all aimed not only at explaining what the bank can do, but putting a face on the bank--its image. Many banks rely upon their distinctive logo to make themselves instantly recognizable and to build a link between themselves and customers and potential customers (Arshad, Ali, Masood, Syed, Jabeen and Sabir, 2021). There's the bear, for instance.

Image, however, goes far beyond the symbols. All banks work hard at being community good guys, providing visible and substantial support to their cities and towns. A combination of advertising, public relations, promotion and community service, this approach wins customers and keeps their names firmly in view.

Banks are everywhere: sponsoring local events, raising money for charity, contributing to United Way and supporting education, sports and the arts. Pat Dee, president and chief operating officer of First State Bank, says "we strongly encourage our employees to get involved in organizations and events, creating a high profile in community activities and putting our money where our mouth is."

How the banks attempt to differentiate themselves from others in the market is often seen in their slogans or catchphrases. In the case of the larger, merged banks, the message is very similar as they promote both the convenience and sophistication of their size and their community presence. Smaller banks stress their accessibility and individualized customer services, and the niche banks focus tightly on the market they've chosen to serve (Ali, Farooq, Shah and Burney, 2021).



## **CHAPTER # 4**

### **PRESENTATION & ITS ANALYSIS**

This chapter includes Presentation of data gathered and its Analysis with the help of which the research is conducted.



# **“COMPARISON OF PRODUCT & SERVICES OFFERED BY THE FORIGN AND LOCAL BANKS IN PAKISTAN”**

## **4.1 HOME LOAN SERVICES BY FOREIGN BANKS**

### **BANK ALFALAH HOME FINANCING**

#### **Home finance:**

Your guide to buying, building or renovating your dream home.

#### **Salient features:**

- Great Value
- Daily Markup Calculation
- Lowest Markup Rates
- Trustworthy and Simple
- Protecting your Mortgage
- Protecting your Home
- Rate Changes
- Flexibility

#### **Buy your home:**

With this facility, you no longer need to just dream about the home you want for yourself and your family. They will provide you up to 70% of the purchase price of the property, so that you can realize your dream and enter the reality of owning a home. Payment period ranges from 3 to 20 years.

#### **Build your home:**

You have a plot and need finance to construct a home, which excites everyone in your family. No problem. They will provide you 70% of the estimated value of constructed property to enable you to say good-bye to rent forever, Even if you don't have a plot, they will provide you up to 60% of the value of the plot that you have selected to purchase. Payment period ranges from 3 to 20 years.

### **Renovate your home:**

You already own a home, but need extra space for a growing family. Simply apply for financing of up to Rs.3.50 million or 40% of the surveyed value of your home and get yourself the extra space. You can stretch payments for up to 15 years.

### **The Eligibility Criteria:**

You may apply for Bank Alfalah Home Finance:

- If you are a Pakistani National.
- If your age is between 23 and 65 years.
- If you are in continuous employment in a permanent position for the last 2 years or more.
- If you have existing 3 years (or more) of business or professional experience
- If you have been a Bank Alfalah borrower for past one year with clean payment record.
- You may apply for Bank Alfalah's Home Finance for minimum period of 3 years and a maximum period of 20 years.

## **CITI BANK HOME FINANCING:**

### **Why finance?**

There has never been a better time to own your home....

Here are the reasons:

Should I RENT.... or should I BUY

### **Purchased Property**

- ❑ Instant Ownership
- ❑ Installment amount approx. same as rent
- ❑ Appreciation in property value leads to gains
- ❑ Beats inflation
- ❑ Security for family
- ❑ Property of your own choice and taste

### **Rented Property**

- ❑ No Ownership
- ❑ Monthly rent is just an expense
- ❑ Hassle of re-locating
- ❑ Cost of re-furnishing
- ❑ Yearly increase in Rent

### **Features:**

Citibank Home Loans Provide the Perfect Solution to Fulfill Your Most Important Dream in Life...Owning A Home.

- ❑ Convenience

### **Why should financing a home be a headache?**

Their 5 steps, easy to follow process enable you to avail the facility of a Home Loan of your choice.

- ❑ Affordability

Owning a home has never been this affordable!

Their Pioneering Product ...the Adjustable Rate Home Loan and Flexi Fixed Rate gives you the perfect opportunity to finance your dream home on affordable monthly installments, spread over up to 15 years.

### **Do you want to own your Dream Home...?**

With Citibank Home Loans you can....

- ❑ Buy the home of your dreams

- Buy land in your ideal location
- Construct and furnish your perfect home

### **Do you already own a home?**

With Citibank Home Loans you can.

- Renovate and re-furnish your existing home
- Educate your children
- Purchase assets for your business

### **Eligibility:**

- Age
- Pakistani resident residing and working in Karachi, Rawalpindi, Islamabad and Lahore.
- Regular monthly income from salary or a business.

## **STANDARD CHARTERED BANK HOME FINANCING:**

### **Home financing:**

At Standard Chartered they recognize that owning a home is a family's most cherished dream. This is why they are dedicated to providing you with the means and tools to fulfill your dreams. They also understand your desire to balance the preferences of your loved ones and your personal beliefs when it comes to your family's housing needs. With Standard Chartered Bank Islamic Home Finance you can now own a home without compromising your principles.

At the moment SCB offers Islamic Home Finance for ]

### **Islamic Home Purchase :**

- ❑ Purchase of Home for self-occupation

### **Islamic Balance Transfer:**

- ❑ This program allows you to transfer your loan against property from other banks to SCB.

### **Islamic Home Purchase:**

Turn your dreams into reality with Islamic Home Purchase.

- ❑ Finance amount ranging from 300,000 to 7,500,000.
- ❑ Repayment tenor from 1 to 20 years.
- ❑ Finance to value of up to 80% of the property value.
- ❑ Minimum Net Income as low as 20,000 per month.
- ❑ Minimum age of the primary applicant should be 25 years.
- ❑ Maximum age should be 65 or retirement age at the time of maturity of the facility.
- ❑ Financing of property with value as low as Rs.800, 000.
- ❑ Application Processing fee is 3,500 and 5,000 for approved and unapproved / self-employed / businessmen respectively.
- ❑ No interest charges.

### **Documentation Requirements:**

- ❑ Completed application form
- ❑ NIC copy
- ❑ 1 recent passport picture
- ❑ Property documents for which loan is required
- ❑ Employee Confirmation Certificate by authorized signatories for Salaried applicants
- ❑ Proof of business for Self-employed applicants

- Last salary slip & 3 month bank statement for applicants from an approved company
- 3 Undated Cheques

## **4.2 HOME LOAN SERVICES BY LOCAL BANKS**

### **HABIB BANK LIMITED HOME FINANCE:**

#### **Habib bank house finance-for a home of your own:**

Habib bank brings to you the most affordable and convenient scheme to finance your own house. Habib Bank – House Finance, a demand / running finance facility to assist you in turning your vision into a reality. With adaptable options, varying amounts and flexible tenures you can start shifting to, building or renovating your own house in a matter of weeks. Through this product one can:

**Purchase one’s own House** – These are loans for the purchase of residential property for the purpose of self-occupation by the borrower in approved and developed areas.

**Renovate one’s own House** – These loans are against owner occupied residential property for home improvement and renovation.

**Self construct one’s own House** – Financing for the construction of residential property within approved cities/areas, in approved and developed schemes – on already owned residential plots.

**House Re-Finance** – This is a multi-purpose facility that can be availed by you as running finance to invest in your business or for personal purposes.

#### **Salient features of HBL house finance:**

- The loan can be paid back in financing tenures ranging from 3 to 20 years.

- ❑ The repayment of the loan is in equal monthly installments and is through direct debit authority or post-dated cheques.
- ❑ Pre party limit for all options, other than Home Improvement are at a maximum of Rs.7.5 million. Home improvement limits range from Rs.5 lacs to Rs.3 million.
- ❑ Minimal processing charges.

**ELIGIBILITY:**

- ❑ Pakistani residents.
- ❑ Salaried/self-employed individuals and professionals.
- ❑ Age between 22-65 (60 for salaried individuals).

**Minimum documentation required:**

- ❑ Copy of NIC (attested).
- ❑ Copy of latest paid residential utility bill (not mobile phone bills).
- ❑ Two passport size photographs.
- ❑ Copy of NTN card/certificate OR copy of latest income tax assessment order.
- ❑ Two latest salary slips and latest 6 months personal Bank Account Statement.

**How To Apply:**

- ❑ For your convenience, Habib Bank has designated specific branches in your city to provide you with this facility.
- ❑ All you would have to do is visit one of these branches, get an Application Form and submit the completed Application Form along with the requested documentation to apply.
- ❑ Once your application has been accepted you will be called in to complete the remaining formalities to finalize the procedure.

## **UBL ADDRESS/HOME FINANCE:**

You have always dream of having a permanent address. Now you can turn your dreams into reality with UBL Address - the unique offering that makes you the owner of your home while remaining within your limited income.

UBL Address understands your home financing needs and offers you a variety of fixed, floating & adjustable rate options - because at UBL, *you come first*.

### **Fixed rate options:**

- Fixed Rate for 20 years
- Mark-up Monthly, Principal Annually (20 years)

### **Floating rate option:**

In this option, you get a fixed rate for a period of 12 months that gets re-priced annually.

### **Adjustable rate option:**

Your mark-up rate will be fixed for a period of 3, 5, 7, or 10 years, and will be adjustable after the fixed rate period.

### **Fulfill your dreams/ features:**

- Become the proud owner of a home by purchasing your very own house/flat.
- Avail a facility to give your existing house or flat a brand new look.
- Construct your dream house according to your wishes.
- Choose your own loan repayment period from anywhere between 3-20 years.

### **Eligibility:**

- Minimum monthly income: Rs.15, 000.
- Age: 23 to 65 years.
- Resident Pakistani.



- ❑ Self-employed businessman/professional or salaried individual.
- ❑ Minimum loan size: Rs.500, 000.

## **MUSLIM COMMERCIAL BANK (MCB PYARA GHAR)**

Some destinations require a long wait. Like waiting for a home of your own. But with MCB Pyara Ghar it is now easy to step into your home and start living a real life.

MCB Pyara Ghar is an ideal Home Finance from your own bank that lets you Purchase, Renovate or Construct your home the way you have always wanted. Having your own home was never easy.

### **A pyara ghar of your own:**

Surely, you have cherished a dream of having your own house or an apartment for a long time. Now you can build and own a comfortable place for your family. Choose from any of our three home financing options and you are on your way to your own Pyara Ghar.

### **Why pyara ghar:**

- ❑ Low mark-up rates: MCB gives you your dream home at the lowest and best possible mark-up rates. You can choose either one of our two mark-up rates options-fixed or variable.
- ❑ Early repayment option is tailor-made to allow you to make partial prepayments at dates suits.
- ❑ Option to club your spouse's income to avail higher financing amount. We also tailor Corporate Package for the employees of selected institutions.

### **Benefits:**

- ❑ Options to purchase Renovate or Construct.
- ❑ Competitive financing rates.
- ❑ Financing tenure from 2-20 years.
- ❑ Financing up to Rs.10 Million.
- ❑ Pre-approved for Auto Finance.

### **Eligibility:**

- ❑ Pakistani national residing in an approved city.
- ❑ Not less than 22 years or more than 65 years (at the time of financing maturity).
- ❑ Salary/income is at least Rs.18, 000 per month with monthly installment not exceeding 50% of the take-home salary/income.
- ❑ Association with business/profession for at least 5 years.
- ❑ Salaried individuals with the current employer for at least 2 years.

### **Facilities:**

- ❑ Insurance
- ❑ Balance transfer facility
- ❑ On the approval of application, you will get a sanction letter.
- ❑ Convenient access through more than 900 MCB branches.
- ❑ Relationship with MCB, a bank with over 50 years of quality service.
- ❑ Financing up to rs.10million, which is the maximum loan amount (depending upon your income and appraised value of your property).
- ❑ Independent service quality representatives to assist customers.

## **4.3 AUTO LOAN SERVICES BY FOREIGN BANKS**

### **ALFALAH AUTO LOANS/CAR FINANCING**

Alfalah Car Financing is specially designed for you with easy affordable and flexible installment plan.

### **Benefits and features:**

- ❑ Quickest processing.
- ❑ No hidden charges.
- ❑ Minimum down payment.
- ❑ Complete repayment at any point of time.

- ❑ Tenure period ranging from 1 to 5 years.
- ❑ Financing of all brand new locally assembled vehicles and used cars.
- ❑ Financing limit ranging b/w Rs.200, 000/- to Rs.2000, 000/- for brand new cars.

**Eligibility:**

Yes you get a car loan from bank Alfalah to purchase a brand new car if you are:

- ❑ Pakistani National Identity Card holder.
- ❑ Over 20 years of age (Maximum 60 years in case of salaried and 62 in case of a business person at the time of maturity of the loan).
- ❑ Salaried, Businessman or self employed.

**Insurance:**

Renowned and reliable Insurance companies are offering the competitive rates of Insurance. Pay year insurance premium in advance {at the time of down payment} and remaining in the subsequent equal monthly installment.

**CITIBANK CAR FINANCING**

With the increasing demands of everyday life, vehicle ownership has shifted from a mere luxury to a vital necessity. However, exorbitant car prices make cash purchasing unaffordable. Citibank Car Financing enables the customer to get the car of his dreams in affordable and convenient installments.

**New car program:**

Up to one year of Free Financing

With Citibank Car Financing getting a car is hassle free and offer the best value to a person like you.

**Used car program:**

CITIBANK car financing now offer a great used car program that give you convenient options for purchasing a car.

- ❑ Option 1- Direct Buyer/Seller
- ❑ Option 2- Pre-Authorized Customer

### **Cash Against Car:**

With CITIBANK cash against car get a loan and use it for anything you want. So while you get the cash you need now, you also keep your vehicle.

- ❑ Mark-up rates as low as 12.99%.
- ❑ Up to 7.5 lacs of cash.
- ❑ Up to 5 years payback period.

### **Eligibility:**

- ❑ You are at least 21 years of age at the time of financing.
- ❑ Others eligibility conditions also apply
- ❑ Processing charges Rs.4000
- ❑ Vehicle evaluation charges Rs.1000

## **STANDARD CHARTERED BANK AUTO LOAN**

### **Auto Loans:**

The easy way to own a car.

Standard Chartered Auto Loans are extremely flexible and designed to meet your needs.

- Hassle-free processing
- Personalized service
- Insurance Financing
- Easy repayment options

- Flexible tenors? Up to 7 years
- Advance Payment
- New and Used Vehicles

Their highly trained executives will take care of your financing requirements. The only thing you need to worry about is choosing which car and color you want.

## **4.4 AUTO LOAN SERVICES BY LOCAL BANKS**

### **HABIB BANK AUTO FINANCE**

#### **Habib bank auto finance – your car, your terms:**

Habib Bank Auto Finance, offers the customer, an expedient and economical way of fulfilling his requirement of owning the car of his choice on his terms. Options of affordable down payments, convenient repayment arrangements in the form of monthly rental payments, which are tailored to the expected cash flows of the customer are some of the host of value added features, this product offers its customers.

#### **Salient features of HBL auto finance:**

- ❑ Low Mark-ups leading to affordable monthly rentals.
- ❑ Available throughout Pakistan
- ❑ Tenures ranging from 36 to 60 months
- ❑ Low Processing Charges
- ❑ Deferred Payment Option
- ❑ Financing of amounts up to Rs.1.5 million
- ❑ Insurance premium rates as low as 3%
- ❑ Worldwide personal accidental insurance coverage for the entire family of the lessee of up to Rs.200, 000/-
- ❑ Car choices of up to 1600 cc (New cars only)

### **Eligibility criteria:**

- ❑ Pakistani residents
- ❑ Salaried (minimum one year work experience), Self Employed Individuals (minimum three years in business) and Professionals (minimum one year in business)
- ❑ Age between 25 – 60 (60 at maturity of loan)

### **Minimum documentation required:**

- ❑ Attested copy of NIC
- ❑ Two recent Passport size Photographs
- ❑ Copy of latest paid residential utility bill (not Mobile Phone Bill)
- ❑ NTN Certificate (wherever applicable)
- ❑ Income Related
- ❑ Latest salary Certificate (Salaried Individuals)
- ❑ Bank Statement 6 Months (Salaried), 12 Months (Self Employed & Professionals)
- ❑ Employment Letter
- ❑ Proprietorship Certificate / Partnership Deed (Self Employed or Professionals)
- ❑ Certificate of Incorporation (Self Employed or Professionals)

### **How to apply:**

- ❑ Visit your nearest HBL designated branch
- ❑ Submit filled application along with documentation required
- ❑ The branch will inform you if your application has been approved

## **UBL DRIVE/CAR FINANCING**

UBL Drive is a unique auto-financing product, which offers you features, options and flexibility unmatched by any other bank, because at UBL, You come first.

### **New car financing:**

UBL Drive allows you to drive away in your own car by making a down payment of just 10% and to top that with low monthly installments.

### **Used car financing:**

With UBL Drive you can buy your favorite used car (up to 5 years old) at the most affordable rates.

### **Cash your car:**

UBL Drive is not just a car loan; it's a financing facility that gives you Cash on your car, you can get up to 75% of your car value. Drive in with your car and drive out with cash.

### **Low installment & flexibility:**

In our fixed plan, you are offered a variety of affordable rates and installment plans, suiting your needs.

### **Insurance option:**

UBL Drive offers you the following insurance options:

- ❑ Comprehensive insurance
- ❑ Insurance financing for the first year
- ❑ Deductible insurance (risk beyond a certain amount covered at discounted insurance rates)
- ❑ Discounted rates with Tracker car security device installed at customers' cost

### **Free car tracking device:**

Enjoy security and complete peace-of-mind, as UBL DRIVE becomes the only auto finance product, which offers you a free Tracker device installed in your car.

## **MUSLIM COMMERCIAL BANK (MCB CAR 4U)**

Life is like a chessboard. You plan your career options. You analyze your business moves. But when you really want to improve your life, you make a power move.

MCB CAR4U Auto Finance is the power move that assists you in more ways than you ever imagined. It is affordable, with lowest mark up, flexible conditions, easy processing and above all, no hidden costs.

### **Benefits:**

- ❑ Option of financing or leasing.
- ❑ Competitive financing rates.
- ❑ Flexible equity/rate options.
- ❑ Financing tenure from 1-7 years.
- ❑ Financing up to Rs.20 Lacs (depending upon income, vehicle cost and down payment).
- ❑ Low processing fee of Rs.3, 500/-
- ❑ Valid for salaried personnel on contract.

### **Eligibility:**

- ❑ Pakistani national residing in an approved area/city.
- ❑ Not less than 21 years for businessmen, or 22 years of salaried personnel, and would not be more than 70 years on the maturity of the facility of Auto Finance.
- ❑ Salary/Income is at least Rs.12, 000/- per month with monthly installment not exceeding 50% of the take-home salary/income.
- ❑ Permanent employee. For contract employees, 2 years on the job with the current employer or 3 years of overall experience.

### **Insurance:**



“MCB CAR4U” Auto Finance is not an ordinary power move. It is the only brand of Auto Finance that gives you an option to choose from a panel of reputable Insurance companies and secures your auto finance deal, on discounted rates.

**Flexibility:**

MCB CAR4U provides you complete flexibility in creating your own deal. You have the power to choose the rate/ equity option that suits you the best. You can also choose a suitable tenure between 1-7 years.

MCB CAR4U is your power move. You plan; you choose and drive your way to success.

**Excellence:**

- ❑ Power to make early payments, twice a year.
- ❑ Access to a wide dealership network.
- ❑ Quick Processing.
- ❑ Convenient access through more than 900 MCB branches.
- ❑ Relationship with MCB, a bank with over 50 years of quality service.
- ❑ Independent Service Quality Representatives to assist customers.

## **4.5 CARD SERVICES BY FOREIGN BANKS**

### **ALFALAH HILAL CARD/DEBIT CARD**

The Alfalah HilalCard can be used electronically at any retail outlet or ATM that accepts VISA cards.

**Features of Alfalah Hilal Card:**

- ❑ Personal Identification Number (PIN)
- ❑ Special POS Machines
- ❑ Photo Card - added safety
- ❑ Global Acceptability
- ❑ 24-Hour Customer Service

- ❑ Foreign Transactions
- ❑ Zero Loss Liability
- ❑ No Minimum Income Requirement
- ❑ Immediate Payment

## **ALFALAH CREDIT CARD**

Your Bank Alfalah Credit Card is your partner everywhere and is globally accepted and welcomed at locations displaying the VISA logo. It is accepted at nearly 30 million merchants and 870,000 ATMs in more than 150 countries around the globe and over 10,000 establishments in Pakistan.

## **ALFALAH GOLD & SILVER CARDS**

### **Features:**

- ❑ No Joining Fee
- ❑ No Annual / Renewal Fee
- ❑ Low Service Charges
- ❑ Balance Transfer Facility
- ❑ Global Acceptability
- ❑ Cash Advance Facility 75% Of Credit Limit
- ❑ 24-Hours Phone Banking Service
- ❑ Zero Loss Liability
- ❑ Utility bill Payments

### **Terms and conditions:**

- ❑ Minimum transaction amount should be Rs.3, 000.
- ❑ A processing fee of 2% will be applicable per transaction amount.

### **Eligibility:**

- ❑ All Basic Card members eligible to enroll in the Program.

- ❑ Points earned by a Supplementary Card member will be credited to the account of the Basic Card member and may be used only by the Basic Card member for redemption.

## **CITIBANK CREDIT CARDS**

### **Inquiry:**

- ❑ Product Inquiry
- ❑ Application Status
- ❑ Available limit on Credit Cards
- ❑ Statement details
- ❑ Reward inquiry

### **Transactions:**

- ❑ Card Activation
- ❑ T- PIN Issuance & Change
- ❑ ATM -PIN Issuance & Change
- ❑ Card Lost/ Stolen
- ❑ Damaged Replacement
- ❑ Utility bill payments
- ❑ Address & Phone number change
- ❑ Change of Billing Code
- ❑ Limit Enhancement
- ❑ Card Upgrade
- ❑ Photo Card conversion
- ❑ Credit Card bill payment

## **STANDARD CHARTERED BANK CREDIT CARDS**

### **Visa/Master Cards:**

### **The Most Powerful Credit Cards in Pakistan**

You now possess one of the most widely accepted Credit Cards in the world. Standard Chartered Credit Cards combine the international acceptability of VISA/MasterCard with worldwide reliability and the exceptional service that Standard chartered represents.

### **Features & Benefits:**

- ❑ Global acceptability
- ❑ Cash advance facility
- ❑ Supplementary cards
- ❑ Foreign transactions
- ❑ Card voice
- ❑ E-statements
- ❑ Dial -a- draft
- ❑ Revolve your credit
- ❑ Auto debit
- ❑ Balance transfer facility
- ❑ Treasures
- ❑ Travel privileges
- ❑ Car rental
- ❑ Free surfing
- ❑ Zero loss liability
- ❑ Credit cover
- ❑ Travel accident cover
- ❑ Travel inconvenience cover
- ❑ Smart wallet insurance

### **Debit Card:**

**Use your Standard Chartered ATM Card to withdraw cash or make purchases anywhere in Pakistan!**

The Standard Chartered ATM Card is also the Standard Chartered Debit Card. By using one card for both purposes, we save you from carrying around extra weight in your wallet. The next time you shop, dine or fill your car with petrol you can use your Standard Chartered Debit Card to pay for purchases at thousands of outlets (note: outlets list should be in hyperlink) across Pakistan; thus eliminating the hassle of carrying cash.

### **Make a purchase:**

Just look for the standard Chartered or ORIX logo to find a merchant outlet that welcomes your card.

### **How to make a payment:**

- ❑ To make a payment, present your ATM Card to the cashier
- ❑ The merchant will swipe your ATM Card on the POS (Point of Sale) machine and the purchase amount will be entered
- ❑ Three accounts will appear on the screen "Current", "Savings" and "Credit". Select the account you wish to pay from. (SCB Customers can only choose from "Current" or "Savings".)
- ❑ Enter your four-digit ATM/Debit card PIN for verification. (This is the same as your cash withdrawal PIN.)
- ❑ After approval, a transaction slip will be generated. Collect your card and slip, and confirm your transaction amount.
- ❑ Your purchase is now complete and the transaction amount will be debited to your Standard Chartered Bank Account. Please retain your transaction slip until it appears in your bank statement, and for future reference.

### **Daily purchase limit:**

Your daily purchase limit is Rs.100, 000 (Subject to availability of funds in your account). You can request to have your daily purchase limit enhanced to Rs.1, 000,000.

## **4.6 CARD SERVICES BY LOCAL BANKS**

### **HABIB BANK LIMITED DEBIT CARD**

We bring to you Habib Bank Value Debit Card – The truly secure and convenient payment solution backed by the international acceptance and recognition of Visa International. Simply use your Value Card at outlets for payment of daily purchases and experience the ultimate ease and convenience.

#### **Benefits of value card:**

- ❑ Your Money, Your Control
- ❑ Ease & Security
- ❑ No Liability on a Lost / Stolen Card
- ❑ International Recognition & Acceptability
- ❑ Free Account Statement

#### **Features of value visa debit card:**

- ❑ Exclusive Discounts & Deals
- ❑ Insurance Cover
- ❑ Funds Transfer Facility

### **MASTER CARD:**

Habib Bank MasterCard opens a world of convenience for you. Be it shopping or traveling or medical expense, HBL MasterCard sets you free from the hassles of carrying cash, wherever you are. You have the option to choose from our Domestic or International card... depending on your requirements.

### **Facilities:**

- ❑ Worldwide acceptability
- ❑ Up to 30% of your spending limit as cash advance
- ❑ Travel accident insurance coverage worth Rs.2.5 million
- ❑ Photo feature to help avoid misuse

### **UBL CREDIT CARD**

This unique high tech CHIP guarantees your security while conducting transactions within Pakistan and around the world. CHIP based credit cards have proven to be the most secure way of conducting credit card transactions globally.

### **Rewards & benefits:**

- ❑ Free road miles
- ❑ Free talk time
- ❑ An exciting variety of gifts
- ❑ Save big time with your UBL Credit Card Balance Transfer Facility
- ❑ Low balance transfer rate

### **Features:**

- ❑ 24-Hour Customer Service
- ❑ Complete access to your card account online including card transactions and billing statements
- ❑ Chip Rewards Information
- ❑ Pay UBL Card Bills
- ❑ Withdraw Advance cash through your UBL Credit Card's
- ❑ Travel Accident Insurance
- ❑ Zero Loss Liability

### **Eligibility:**

You are eligible to apply for the UBL Credit Card if you are

- ❑ At least 21 years of age
- ❑ A resident of Pakistan
- ❑ Employed or managing your own business

### **UBL WALLET YOUR DEBIT CARD**

With UBL Wallet as your Debit Card, you can shop all you want, eat all you can, or fill up your car tank without carrying any cash. Simply use your UBL Wallet for direct debit from your bank account.

The Debit Card facility is being offered in association with the Orix network, which offers connectivity at more than 1600 outlets across the country. You can use your UBL Wallet to conduct a debit transaction at any outlet in Pakistan that displays the Orix logo.

### **MUSLIM COMMERCIAL BANK (MCB MASTER CARD)**

“THE FUTURE OF MONEY”

Since the beginning of time, people have tried to find more convenient ways to pay, from gold to paper money and cheques.

Today, money is moving away from distinct hard currencies and towards universal payment products that transcend national borders, time zones, and, with the Internet, even physical space.



Plastic or "virtual" money, credit, debit, and electronic cash products, inevitably will replace cash and cheques as the money of the future.

### **Master card features:**

MasterCard International has expanded globally in more locations in the world than any other card. The card was introduced by MCB Bank Limited in 1995 and now offers card members over 15 million outlets in 232 countries.

- ❑ Photo security- the first bank in Pakistan to introduce the enhanced feature of photograph on the card limiting fraud in case of card loss.
- ❑ Welcomed at over 3, 000 outlets in Pakistan.
- ❑ Provides up-to 45 days Free Credit.
- ❑ Joining and Annual Fees to suit you.
- ❑ 24 Hour Customer Services- Call 111-700-700 and you can get information from our customer services representatives on new card application or have your queries resolved anytime of the day.
- ❑ Cash Advance Facilities available in Pakistan and worldwide.

### **MUSLIM COMMERCIAL BANK (MCB DEBIT CARD)**

Now MCB brings a secure, convenient and quick payment facility that enables you to do purchasing by using your existing MCB ATM / MCB Smart Card as a DEBIT CARD.

### **Features:**

- ❑ No need to carry cash, when MCB Card is your companion.
- ❑ Acceptability of your card at Merchant Locations, including Petrol Pumps, Grocery Stores, Bakeries, Departmental Stores, Jewelers, Travel Agents, Restaurants, Chemists, Hospitals and many more locations displaying this sign.
- ❑ When MCB Card is used, payment is made by directly debiting your Bank account.
- ❑ No need for signature, as PIN (Personal Identification Number) is being used for security.

- ❑ Now you can also do Balance Enquiry of your Card Account at selected Merchant outlets.

## **4.7 ATM SERVICES BY FOREIGN BANKS**

### **BANK ALFALAH ATM**

Bank Alfalah through its commitment to provide superior and improved services to its valued customers, has unveiled a nationwide network of ATMs. For your convenience, you now have access to instantaneous cash availability, 24 hours a day, 7 days a week.

Our ATM network is geared up to exploit the latest technology, and is equipped to meet the highest standards of security and efficiency.

#### **Features:**

- ❑ Withdraw Cash
- ❑ Use our convenient, user-friendly fast cash option
- ❑ Make a Balance Inquiry
- ❑ Get an instant printout of your account balances
- ❑ Get a printout of your last transactions (Mini-statement) on the spot
- ❑ Change your PIN (Personal Identification Number)

Bank Alfalah is pleased to introduce 55 state of the art ATMs, deployed at the most convenient and accessible locations. Bank Alfalah is a founder member of the 1-Link Switch, thus making a countrywide network of ATMs available.

#### **Bank Alfalah branch network:**

The Bank is fully aware that the branch network has direct implications on the services that it provides to its customers. We offer services through a network of **142 branches** and 59 state of the art **ATM machines**.

- ❑ Conventional Branches

- ❑ Islamic Banking Branches
- ❑ Overseas Branches
- ❑ ATM Machines

## **CITIBANK ATMS**

Over 100 ATMs at your service nationwide with you Citi card.

At Citibank, their goal has always been to provide you with better facilities and greater convenience. M-Net a new ATM network is now available to cater to your needs of wider cash accessibility nationwide.

Consisting of a group of seven banks, M-Net is the largest ATM network in the country. Through this network, you can access over 100 ATMs in over 12 cities nationwide. Plus, you still have the convenience of accessing your funds through our CitiCard Banking Centers. Constantly aiming to provide you with a higher standard of service and benefits, the M-Net is a leap towards greater accessibility and convenience.

### **Features:**

- ❑ Access to over 100 machines in 12 cities.
- ❑ For Citibank account holders with either a Rupee Saving or a Rupee Current Account.
- ❑ When using a Citibank ATM, you can withdraw up to Rs.20, 000. If you are a CitiGold Customer, you can withdraw up to Rs.40, 000.
- ❑ A maximum of Rs.20, 000 can be withdrawn per day on MCB ATMs.
- ❑ Maximum of three withdrawals per day.

## **STANDARD CHARTERED BANK ATM's**

### **ATM Service:**

Enjoy fast and convenient banking round the clock

The Standard Chartered ATM Card is also the Standard Chartered Debit Card. By using one card for both purposes, we save you from carrying around extra weight in your wallet. With our ATM card, you can bank 24 hours a day - 365 days a year. Enjoy a host of banking services including cash withdrawals, deposits, balance enquiries, statement & chequebook requests, funds transfer, PIN changing facility and more. With a network of over 200 ATMs, Standard Chartered provides you with the highest standards of banking service round the clock.

### **Cash Withdrawal:**

You can withdraw cash 24 hours a day 7 days a week. Apply for your daily cash withdrawal limit from your branch depending on your requirements.

### **Features:**

- Cash or Cheques Deposits
- Special Instructions
- Mini Statement
- Cheque Book Request
- Statement Request
- Funds Transfer
- PIN Changing Facility

### **Eligibility:**

You can apply for an ATM Card if you maintain a Standard Chartered Pak Rupee Current or Savings account. Joint account holders, with either signatory authorized to

operate the account, can also apply for an ATM Card. A further supplementary card can also be issued to the second account holder.

**MNET- the new way to greater convenience and accessibility:**

You can now access your account from more than 200 additional ATMs across Pakistan. Just look for any ATM bearing the MNET sign for 24-hour accessibility and superior convenience.

## **4.8 ATM SERVICES BY LOCAL BANKS**

### **HABIB BANK LIMITED ATM**

**HABIB BANK ICARD – intelligent banking on the move:**

Habib Bank *iCard* provides you the facilities of both an ATM card as well as a debit card. It is an electronic wallet equipped with the following features:

**Automated Teller Machines (ATMs):**

Habib Bank *iCard* can be used not only at Habib Bank ATMs but also on more than 225 ATMs of twelve banks connected to 1 Link network, the largest ATM network of Pakistan. Through the ATM's, customers have access to various services such as cash withdrawal, balance enquiry and mini statement. Soon funds transfer and utility bills payment facilities will also be available on Habib Bank *iCard*. Complete security is ensured because access to the account is only possible by entering a four digit Personal Identification Number (PIN) known only to the account holder. Cash withdrawal limit is up to Rs.20, 000 per day from the available account balance.

**Debit Card facility at merchant locations:**

Habib Bank *iCard* can also be used as a debit card at over a thousand merchant locations across the country including fuel stations, departmental stores, restaurants, travel agents,

grocery stores etc. to make easy, convenient and secure payments. Using Habib Bank iCard as your debit card is very simple.

**Benefits:**

- ❑ No restriction on the number of daily transactions. Customers can make purchases up to Rs.100, 000 per day.
- ❑ Free of charge transactions. Only a standard service charge of 2.5% is applicable on fuel transactions.
- ❑ No interest and zero liability.
- ❑ Quick, easy and convenient payment option. No hassle of keeping a lot of money in the wallet or counting notes for making payments.
- ❑ Safer than carrying cash

**UBL WALLET ATM**

UBL Wallet ATM / Debit Card is all the convenience & security you desire and the quality you deserve. This Wallet holds all the cash in your bank account.

With UBL Wallet you can withdraw cash at ATMs any time, or make cashless purchases at outlets through the Debit Card facility.

With no joining fee and an accompanying complimentary cardholder for your convenience, UBL Wallet has been designed to exhibit the best in features and facilities, as well as look & feel. Because at UBL, **you come first.**

**UBL wallet your ATM card:**

**ATM Network:**

UBL already has its own network of 53 ATMs, which continues to expand by the day. Moreover, UBL Wallet is part of the 1-Link switch, which is a fast expanding ATM

network of more than 12 banks. This allows you to use your UBL Wallet across Pakistan at more than 300 ATMs.

**Features:**

- ❑ Human Assistant
  - ❑ Security
  - ❑ Funds Transfer
- 1) Into any of your UBL accounts
  - 2) Into any pre-linked UBL account
  - 3) Into any other UBL account

**Facilities:**

- ❑ Balance Enquiry
- ❑ Mini Statement
- ❑ Fast Cash

**MUSLIM COMMERCIAL BANK (MCB ATM SERVICES):**

With a solid foundation of over 50 years in Pakistan, with more than 750 automated branches, 269 online branches, over 190 MCB ATMs in 34 cities nationwide and a network of over 16 banks on the MNET ATM switch, MCB is positioned at the forefront of the banking industry in Pakistan. This success has been possible because of a never-ending drive to achieve higher levels of excellence, constantly striving to raise the level of performance.

**Categories of cards:**

- ❑ **MCB ATM REGULAR CARD**

The MCB ATM Regular Card allows withdrawal of up to Rs.10, 000 per day and a maximum of 3 withdrawals per day per card.

#### ❑ **MCB ATM GOLD CARD**

The MCB ATM Gold Card allows withdrawal up to Rs.25, 000 per day and a maximum of 6 withdrawals per day per card. The cardholder has to make at least two transactions to withdraw the full amount of Rs.25, 000.

#### **ATM usage:**

##### ❑ **ATM usage outside Pakistan**

Your MCB ATM Card can be used to access your MCB account from anywhere around the globe. MCB ATM is accepted at 634,700 locations where there are Master Card or Cirrus.

##### ❑ **ATM usage within Pakistan**

MCB Bank has the largest ATM Network in the country with over 200 ATMs and over 300 online branches. The MCB ATM Card can be used in over 35 cities in Pakistan.

#### **Other convenience:**

- ❑ MCB's revolutionary M-Net Switch enables you to access your MCB Account from any member bank's ATM Machine.
- ❑ Mobile Banking helps you use your GSM Phone to access mini-account statements and balance information from anywhere.
- ❑ Funds Transfer Facility enables you to transfer funds from one registered ATM Account to another.





## **CHAPTER # 5**

### **CLOSING UP**

This chapter includes summary of findings, conclusion, recommendations bibliography and appendix.

## **5.1 SUMMARY OF FINDINGS**

The following points summarize the finding of the thesis:

Finding through the comparison between their services and products, unstructured interviews through market environment.

Foreign banks have certain disadvantages while venturing into risky developing markets. They lack knowledge of the local market and, thus, they might face higher labor costs in order to overcome large informational disadvantages.

They might also confront higher costs of funds, since they have to rely on purchased funds rather than deposits raised through the network of branches that takes time to develop.

Foreign banks might also be more prone to sacrifice profitability to market penetration.

Foreign banks in Pakistan succeed to exploit their comparative advantages and show higher efficiency than their domestically owned counterparts.

Foreign banks do not just follow their customers into developing markets, but seem genuinely interested in exploiting local opportunities as well.

The study finds that foreign banks exhibit higher efficiency than local ones.

Important results are gained when efficiency of foreign and local banks is compared.

First of all, some papers check whether foreign and local banks come from the same operating environment. This is especially important in this type of studies, because it is necessary to decide if to construct separate or common frontiers for local and foreign banks.

The banks in Pakistan are operating in the environment of high demand for banking products as a result of “catching up” effect after the years of suppressed consumption.

The size of a bank measured by total assets has no effect on efficiency. Large size of a bank might have a positive impact, such as higher chance of attracting talented management and attracting customers.

Large banks might be perceived “too big to fail”, which could lead to moral hazard behaviour.

The consumer also attracting towards the newly innovated product & services and which might be less costly as well.

## **5.2 CONCLUSION**

The conclusion of whole research topic “Comparison of products & services offered by local and foreign banks in Pakistan” is that people are aware of the products and services offered by these banks.

I investigate efficiency of the foreign and local banks during the period of 2002-2005.

Foreign and local banks come from the same population frontiers for foreign and national banks. By this study, I find that average efficiency was 44.62% and 69.70% for local and foreign banks, respectively. Foreign banks exhibit higher productivity of their inputs (technical efficiency), and are superior in choosing the right mix of inputs in light of given prices.

The high demand for banking services and fast growth of banking assets increase competition between foreign and local banks. Even though the analysis shows that banks that experience the fastest rates of growth succeed to control costs.

My investigation reveals that foreign banks employ less but better remunerated staff than their local counterparts. Another significant determinant is better quality of the portfolio. In this respect foreign banks have a distinct advantage, since they were not facing the burden of bad loans, and their superior knowledge of risk management systems allowed them to keep the risk of their loan portfolios in check

I conclude that foreign banks have managed to utilize their comparative advantage and show higher level of efficiency. This superiority should not be attributed to better reputation of foreign banks or some other intangible quality. Instead, it is explained by better output quality, higher skilled personnel and more advanced technology.

Technology development is creating the opportunities to increase customer satisfaction that is promoting banks to create new market and channels.

Now technology instruments such as ATM, Telephone Banking, Internet and Online Banking are executing day's more than 75% all activities. Technology is increasing customer satisfaction & efficiency that is growing banking sector in Pakistan. Technology provides customer satisfaction, convenience, confident and comfort.

Technology has made the banking sector grow in terms of

- 1) Customer satisfaction
- 2) Efficiency

New technologies such as Mobile banking, ibanking, Personal Internet banking and Cash evaluation card should introduce by local and foreign banks in Pakistan for more comfort for customers.

After analyzing the answers and interview of the Managers and Functional Heads of selected products and services of these banks. I finally came to this point that the trend of using innovated product and services is increasing. Some people wants more innovated, less costly, time saving, more facilitated product and services for easy life.

## **5.3 RECOMMENDATIONS**

- Local banks must adopt all new technology to compete in global.
- Banks must provide training to employees to get maximum benefit from technology.
- Commonness of e-commerce & Internet bank should allow flourishing in the domestic banking industry of the country.
- Banks must conduct workshop regarding technology for customer to get awareness about technology advantages.
- For continual customer satisfaction these banks should starting a total quality management program to upgrade & improve professional skills of the employees of banking industry.
- The banks employees should be imparted training on ISO 9000 systems and cost of quality. These proposed programs will emphasize the need of excellence in all spheres of management.
- The training should be imparted in two stages i.e. first the employees might be provided with on-the-job training about total quality management. In the next phase industry level seminars on TQM & latest technology that adopt by the bank can be conducted at regular intervals & the employees of different banks will be encouraged to attend such seminars.
- Educationists from different educational & management development institutions or management professionals from the industry should be invited at these seminars to present their views on TQM & latest technology.
- Banks should be eliminating un-necessary management and other layers; it helps the banks to reducing the cost.
- Banks should be redesigned their compensation package with the requirement of time.
- Banks should have an excellent communication network.
- Banks should have outstanding technology to fulfill the need.

- Good customer service plays an important role to retain the customers; Banks need to sure that their staff setting on 24 hours help line is skilled enough to satisfy customers.
- A large amount of the population of Karachi is still unaware about the facilities or offers of the banks. So, the banks must focus on this aspect to make people understand what actually these facilities and what incentives they can get from its uses.
- In case of debit cards duplicate transaction takes place, so banks should also look forward into this issue.
- The banks should make their application simple so that everyone can capture its wording.
- Banks should make their strategies and try to target every market.
- Customers must always know how much money you have available in your account.
- Customer must memorize PIN number. Do not keep PIN number with your card.
- Access to sensitive data can be restricted according to an employee's role, yet employees can get relevant information that provides greater insight into finances or customers to help them do their job more effectively.
- Banks encourage their managers to talk informally with their employees about their performance on an ongoing basis.
- The kind of "open and honest" communication with their employees about their performance that works in the way that managers have always envisioned that it should.
- Efficient processes are important because they require less time, effort and resources to produce better outcomes.
- Tools such as daily huddles can improve communication among staff and help you anticipate challenges in your workday.
- Clarify the value or purpose of the process from the customer's perspective.
- Eliminate any steps that do not add value.
- Educating the employees about the new process and equipping them with all the information they will need is vital to bank success.

- Arrange classes for employees to define handling procedures and scope of new technology that is used by bank.
- Workshop's and orientation programs for both employees and customers to tell them benefits of new technology and using method of new technology.
- Customer orientation must be in forced to define product and service function and its benefits.
- Ongoing employee training for banks has become increasingly important.
- Accelerated changes in the workplace necessitate the sustained development of employees' skills through training.
- Designed to develop various types of work-related skills, the training aims to enable the employees to do their work more effectively, to develop a greater ability to cope with change, and to be prepared to assume other tasks or responsibilities in the bank.
- Employees of the banks usually give training for specific tasks; the categories of needs to which employers attribute the least importance in ongoing training.
- Make sure any new policies are communicated to all employees in a timely manner.
- Mentors can inspire employees to strive for greater levels of success, help them channel their ambitions and teach them new ways of handling ongoing technology more effectively.
- Ongoing training can be more formal, but it doesn't have to be. In fact, it can be as simple as encouraging employees to meet regularly to discuss issues and share new ideas and perspectives.
- Cash-Evolution Card should launch by the banks in Pakistan both foreign and local that brings the convenience and security of electronic money transfer to everyone.
- Both local and foreign banks also offer the Personal Internet Banking Free Online Bill Pay service, through which customer can pay bills to virtually anyone in the Pakistan online and anytime.



- Both types of banks (local & foreign) should develop, and implement IT security enhancements to meet the growing threat of Internet security breaches, their online banking customers.
- Local banks must start iBanking that is a simple, hassle-free and secure Internet banking service for their customers in Pakistan.
- Local banks also start email service through which customers receive their account and credit card statement and advice free.
- Local banks also introduce a Mobile phone banking for customer convenience, privacy and security. Through which customer get instant access to their account information through a simple SMS.
- Banks also implementing A/c opening through online or from their websites.
- Improve the regulatory body or working environment by the local banks and need to run through with the continuous changes in banking sector in the world.



