

Internship Report on Marketing Strategy (STP Analysis
and Marketing Mix) of Islami Bank Bangladesh Limited
(Mohammadpur Branch)

**Internship Report on Marketing Strategy (STP Analysis and Marketing Mix)
of Islami Bank Bangladesh Limited (Mohammadpur Branch)**

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Letter of Transmittal

To,

Siddiqur Rahman

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Subject: Submission of Internship Report on “Internship Report on Marketing Strategy (STP Analysis and Marketing Mix) of Islami Bank Bangladesh Limited (Mohammadpur Branch)”

Dear Sir,

I am happy to provide my internship report on the “Internship Report on Marketing Strategy (STP Analysis and Marketing Mix) of Islami Bank Bangladesh Limited (Mohammadpur Branch)” right here. The experience I gained during my internship at Islami Bank Bangladesh Limited is the only basis for this paper. I would be really grateful and honored if you read over my internship report and recognized my hard work and devotion. I did my best to effectively and efficiently portray the initial circumstances of Islami Bank Bangladesh Limited’s Marketing Strategy Analysis.

Finally, I would like to express my sincere appreciation and thanks to you for preparing this report. I would be happy to answer any of your questions on this topic.

Sincerely Yours,



MSt.Tanjila Akter Tania

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Major: Marketing

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Acknowledgement

I'm happy to take this chance to thank the individual for their guidance, help, and patience, without which I would not have been able to complete my report.

I appreciate our esteemed Assistant professor Siddiqur Rahman's thorough criticism and suggestions on this duty. He is an assistant professor at Daffodil International University in Dhaka, Bangladesh. He often offered us his wise counsel on how to complete this assignment.

Along with the internet, reality books, newspapers, and other sources of crucial information that BBA students at other colleges do not have access to, I need to publish some more names. They kindly gave us their time, took the time to thoroughly respond, and assisted us in finishing the research. I appreciate their help and cooperation.

Supervisor's Certificate

This is to certify that MSt.Tanjila Akter Tania, Id: 191-11-709, Major: Marketing, BBA, is a regular student of the Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. She has successfully completed her internship program at Islami Bank Bangladesh Limited and has prepared for this internship under my direct supervision. Her assigned internship topic is “Internship Report on Marketing Strategy (STP Analysis and Marketing Mix) of Islami Bank Bangladesh Limited (Mohammadpur Branch)”. I think that, the report is well-intentioned of fulfilling the partial requirements of BBA program.

I wish her success in the future.



Siddiqur Rahman
Assistant Professor & Associate Head
Department of Business Administration
Daffodil International University

Declaration

I solemnly declare that the work of this internship report titled “Internship Report on Marketing Strategy (STP Analysis and Marketing Mix) of Islami Bank Bangladesh Limited (Mohammadpur Branch)” Is one of my key works under the supervision of Siddiqur Rahman, Assistant Professor, Department of Business Administration, Daffodil International University.

No part of this report has been submitted to any other organization before and I am collecting all the information from the internet and senior executives of my bank.

I have done more to identify the department against my loss or damage arising from a breach of mandatory obligation against it, if any.



Tanjila Akter Tania

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Executive Summary

This report is based on Islami Bank Bangladesh Ltd., and prepared as requirement of the BBA program of Daffodil International University. This article emphasizes two-month job stints at Islami Bank Bangladesh Limited. IBBL holds a prominent position in the banking industry and offers certain distinctive qualities. I've attempted to showcase my research on marketing tactics in this report by highlighting the study's chapters.

The research had a number of goals, including examining Islami Bank Bangladesh Limited's criteria, including the marketing and promotion departments, the bank's capacity to handle load over a specified time period, and the management's participation in market analysis. The marketing practicing report and the bank's marketing guidelines book were the main subjects of this report. Below is a list of the significant marketing tactics that were looked at for the study's objectives, along with an assessment of internal and external promotion and actual marketing data that was utilized to analyze the current situation. One area of study for the topic is the bank's marketing division. The bank's marketing strategy, management, process, market-oriented judgments, range of interest criteria for various marketing ideas and investments, and capital management were all highlighted in this context.

Several different analytical processes are used to tackle a fresh case study of bank marketing analysis. The 4p's analysis and marketing analysis were used in the study for the marketing performance evaluation to show the bank's flexibility in managing the marketing areas as well as its overall condition. These procedures produce a detailed and point-by-point summary of the bank's main marketing strategy categories. We'll go over a few of Islami Bank Bangladesh Limited's marketing strategies using the analysis's findings and a comparison of the output with overall marketing effectiveness.

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Chapter 1

Introduction

1.1 Introduction

The banking sector in Bangladesh is constantly expanding into new financial services. The banking industry as a whole performs better since the banking process is being streamlined made easier and more accessible at the same time. As clients and customers continually demand better services and more amenities, banks are creating fresh, creative ideas for concepts, products, and facilities that will make banking easier and more user-friendly. To survive in the increasingly competitive banking sector, all banks in Bangladesh are looking for methods to offer their clients better service. As a result, in order to manage daily operations involving banks, it has become essential for everyone to have some awareness of banks and banking processes. The expansion of technology and globalization is to blame for the quick changes in the global banking industry. Bangladeshi banking must constantly modernize its fundamental banking activities to keep up with the pace of global development. In order to survive in the cutthroat local and international market, private commercial banks must maintain "Professionalism" in the sense of creating the appropriate staff and its abilities and expertise to minimize the risk element.

Marketing in the banking sector is one of the most important obstacles to Bangladesh's development of a strong economy. The essential market transparency is provided to the bank's financial reporting through marketing analysis and management. This market analysis and management illustrates how skillfully banks can respond to undesirable situations and outcomes. The marketing predicament that the banks are in is a result of both external and internal factors. Due to aggressive banking methods used to gain a competitive edge, both public and commercial banks in Bangladesh are subject to marketing concerns. Marketing risk, on the other hand, is the ambiguity surrounding the likelihood of specific activities. As a result, marketing management is housed in a mandated unit in several Bangladeshi banks known as the Market Management Unit (MMU).

1.2 Background of the Study

As a prerequisite for the Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU), it is required to complete an internship at a reputed business

Organization & prepare a report. In fact, I am going to know about the marketing Performance Analysis of Islami Bank Bangladesh Limited in banking sector of Bangladesh.

The main business of banking is to provide credit to borrowers and accept deposits from the customers. Banks play an important role in the development of a country as well as in providing huge employment opportunities.

Islami Bank Bangladesh Limited plays that biggest role. It contributes to the economic development of a nation through conservation and credit. It is the change and allocation of funds across the country which it is added to the development of the country's economy and national resources added.

The study seeks to evaluate the Credit Performance of Islami Bank Bangladesh Limited. Whether, the marketing analysis of Islami Bank Bangladesh Limited is at a satisfactory level. This is the main aspect of the study.

1.3 Objectives of the Study

Broad objective of the study is to explore the marketing mix and STP implementation of the Islami Bank Bangladesh Limited.

More specifically, the study objectives are:

1. To explore the Segmentation, Targeting and Positioning (S,T,P) analysis of Islami Bank Bangladesh Limited.
2. To analyze the marketing mix strategy of Islami Bank Bangladesh Limited.
3. To identify problems related to STP and marketing mix practice.
4. To develop recommendations based on problems.

1.4 Methodology

Bangladeshi banks formulate marketing management policies and simultaneously motivate their staffs according to their needs. In this study the marketing analysis is focused and the

performance marketing policy, marketing management, marketing process, market-oriented judgments and varied interest criteria for various marketing ideas is showed.

Type of the study: This is a qualitative research and exploratory in nature.

Analysis method of the study: Only qualitative data from the Islami Bank Bangladesh is used to analyses the marketing strategy.

While conducting the research study both primary and secondary source were explored. But hardly any primary information or data could be found. In the absence of primary information the majority of the research has been based on secondary information.

Different sources of data:

Primary sources

- Face to face discussion with the branch manager and officials.
- Marketing related banking study of different section of IBBL.
- Practical work experience in the different desk of the department of the branch of the bank.
- Relevant field study as provided by the branch officers.

Secondary sources

- Website of the Islami Bank Bangladesh Limited.
- Different procedure manual published by Islami Bank Bangladesh Limited.
- Annual Prospectus and report of Islami Bank Bangladesh Limited.
- Different Publications, circulars and journals regarding banking activities & policies.
- Marketing Management, Fifteenth edition: Philip Kotler.

1.5 Limitations

The major limitations of this research are discussed below:

- Islami Bank Bangladesh Limited has various policy for disclosing some data and information for obvious reasons.
- Secondary data or information is used more than primary data.
- Insufficient time period to know all activities of the bank and many of the aspects could not be discussed in the present report.
- Many sources were hazardous, in-discipline and time consuming.
- As working in the bank's branch, only a short number of people were interviewed for real time working information.

Chapter2

Background of Islami Bank Bangladesh Limited

2.1 History of Islami Bank Bangladesh Limited

The first Islamic bank with a presence in Bangladesh is Islami Bank Bangladesh Limited. The establishment of Islami Bank Bangladesh Limited on March 13, 1983, as a public limited company under the Companies Act of 1913, is a genuine expression of the aspirations of the populace. On March 30, 1983, the bank started operations. When IBBL was established, it was the first bank in Southeast Asia to provide banking services that complied with Shariah.

The Organization of Islamic Cooperation (OIC) states that an Islamic bank is a financial institution "whose rules and statutes specifically indicate its commitment to the principles of Islamic Shariah" and "to the banning of receipt and payment of interest in any type transaction."

Locals own 36.91% of it, while foreign investors hold 63.09% of the shares. Nearly 384 Branches, 208 Sub-Branches, and 2648 Agent Banking are part of IBBL. IBBL is in third place in Bangladesh for agent banking. It is traded on the Chittagong Stock Exchange Ltd. as well as the Dhaka Stock Exchange Ltd.

Islami Bank Bangladesh Limited has reportedly surpassed all other deposit holders in the nation, according to the bank's managerial conference, which was held on January 16, 2022, at the Hotel Pan Pacific Sonargaon in Dhaka. This information was reported by the top newspaper in the nation, The Daily Star.

2.2 Vision

The mission of IBBL is to establish and maintain modern banking practices, guarantee the soundness and development of the financial system based on Islamic principles, and to become a strong and efficient organization with highly motivated employees working for the benefit of people, based upon accountability, transparency, and morality.

The vision of IBBL is to always strive to achieve superior financial performance.

IBBL tries to promote investment, especially in initiatives that are more likely to increase employment.

2.3 Mission

Following is a description of Islami Bank Bangladesh Ltd.'s mission statement:

- To establish Islamic Banking by the adoption of a banking system that prioritizes social welfare. To guarantee equity and justice in the context of all economic activity.
- To achieve balanced growth and equitable development, particularly in the nation's key industries and least developed regions, through diversified investment activities.
- To promote socioeconomic improvement and financial services for the community of people with low income, especially in rural areas. (Islami Bank, IBBL at a Glance, n.d.)

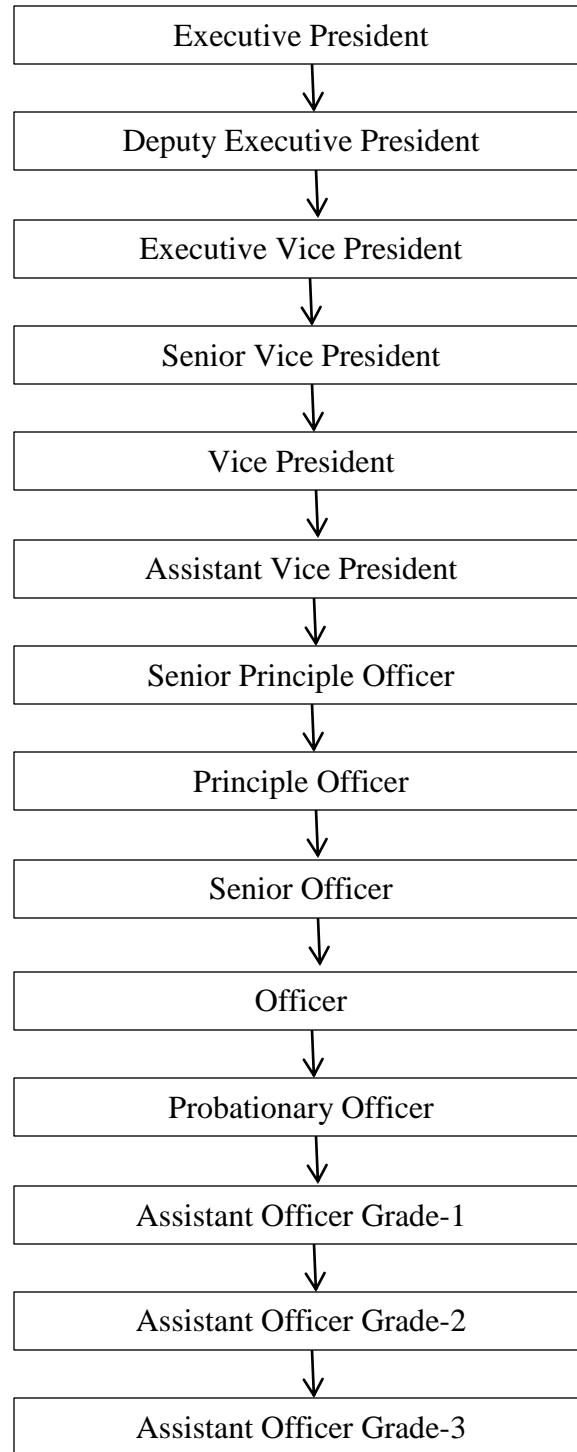
2.3 Commitment

IBBL is basically committed to-

- Shariah
- The Regulators
- The Shareholders
- The Community
- The Customers
- The Employees
- Other stakeholders
- Environment

2.4 Management Hierarchy

The management teams and the organization of IBBL are pictured in below:



2.5 General Banking of IBBL

The pillar of banking, so the saying goes, is general banking. A process of money collection is underway here. Additionally, the clients receive other services from GB such check cashing,

account transfers, account closing, invoices, and remittance. Among the processes utilized to carry out the activities are dispatch (inward-outward), deposit, A/C opening and closure, transfer, cheque book issue, local remittance (Payment order, DD, TT), collections-transfer delivery, IBC, OBC, Cash, Vault, Packing and handling, and evening banking.

As a result, general banking is referred to as the beating heart of the banking sector.

Functions of General Banking

- Dispatch Section
- Accounts Opening Section
- Cash section
- Clearing Section
- Remittance
- Token issuance, writing a day book, keeping a subsidiary day book up to date, and balancing the ledger
- Maintenance of deposit ledgers, current account ledgers, MTDR ledgers, and computer operations
- Quick operations (balance enquiry, bank statement, fund transfer, spot cash payment, verify account, search account, deposit, search customer)
- Reconciliations

2.5.1 Dispatch

a) Inward

- Mail that is not registered, designated confidential, or directly addressed to a certain official may be opened by an authorized staff member. In order to receive an acknowledgement, they must deliver the mail to the proper officials after entering it into the inbound mail register, writing down the mail register's serial number on the letter or document they receive, and stamping it with the "Received" date.
- A letter submitted personally to any authority may only be opened by the intended recipient.

- Court orders and stop payment instructions must be delivered to authorized personnel who must then write the date and time on them and execute the necessary action.

b) Outward

- Each typist will maintain a master file exclusively for them, and dispatch Clark will maintain a separate master file for future records.
- Outward letters must have a serial number and an entry with name and address in the register.
- Local letters can be sent using Peon Book. If there are lots of letters and the area is large, the post office's services may be utilized.
- A letter sent via the post office must be entered in the outgoing mail register and have the proper postage affixed (postal stamps).
- If the letters are sent via registered mail or courier service, the dispatch department must maintain a file with the postal receipt or courier receipt. Similar acknowledgements that were issued back should likewise be in the file.
- If a telegraph is sent by any branch, a copy must be mailed to the address as confirmation and must be duly signed by an authorized authority.
- The management and other officers of the bank must oversee effective phone use. The trunk call and STD conversation must be brief. If a customer uses a phone on their account, fees must be shown.

2.5.2 Accounts Opening

Those who are eligible for opening Account-

- i) Individual persons whose age 18+, except some restricted persons
- ii) Association
- iii) Agent
- iv) Government & Semi- Govt.
- v) Organization
- vi) Liquidators
- vii) Minor
- viii) Illiterate persons

a) Deposit

Objective and Principles-

- i) To encourage people to save money for both their own needs and the needs of the country.
- ii) To motivate people to regularly save money.
- iii) To raise money using the accounts listed below, as described:
- iv)
 - Mudaraba Savings Account: The Arabic word "Mudaraba" denotes a partnership.
 - The bank administers the client's money, which is supplied by the client. The distribution of profit follows a predetermined ratio. The loss brought on by nature is borne by the client.
 - Al Wadeeah Deposit into a current account with the intention of using it.
 - Mudaraba Term Deposit Receipt Account (MTDRA): The MTDRA has a term of three months, six months, twelve months, one year, twenty-four months, two years, thirty-six months, or three years.
 - Student accounts have specific features, such as not having taxes or service fees removed from them. This is true of the Students Mudaraba Savings Account.
 - Mudaraba Hajj Savings Accounts: a dedicated account to aid fixed income groups in performing their pilgrimage-01 to 25 years' term.
 - Mudaraba Special Savings (Pension) Account: it's required 5 years & 10-year term
 - Mudaraba Farmers Savings Account
 - Mudaraba Foreign Currency Deposit Account
 - Mudaraba Industrial Employee's Savings Account
 - Mudaraba Savings Bond Account
 - Mudaraba Mohor Savings Accounts
 - Mudaraba Bibaho Savings Account
 - Mudaraba Waqf Cash Deposit Account: collecting deposit from clients for public welfare.

b) Account Transfer

Customer must fill out a "Sheba Form" application indicating their desire to transfer their accounts to the branch of their choice, along with their bank account number, and an officer will verify the signature. Additionally, the customer must receive a certificate from each department of the bank declaring that they are not liable to the bank. The information for the account holder will then be prepared and forwarded to the branch that the customer has selected.

c) Accounts Closing

Customers must fill out an application (Sheba Form) and sign it before stating that they want to shut their account. They must also include their bank account name and account number. A licensed bank officer will check the customer's signature. The client must certify (through the bank's advance or foreign exchange departments) that they owe the bank no money. The bank then issues a pay order in the account holder's name after debiting the customer's account.

2.5.3 Cash Section

a) Cheque Book

A checkbook is given to the new customer after opening an account. They must first issue a check for their bank account before receiving the check book after 14 days. Two separate checkbooks are offered for current and savings accounts. The AWCA cheque book features 20 and 50 leaves, compared to the MSA cheque book's 10 leaves.

b) Service Charges

Twice a year, a debit of Taka 10 or 50 = is made from the AWCA account to cover the cost of providing service to the customer. Tk. 115 will be taken out of the customer's account in order to provide the client with the account's bank statement. A debit of Tk. 50 per certificate is made from the client's account in exchange for presenting him with one.

c) Profit

Profit is essentially the product's price, which is determined by market forces. Every bank offers a competitive pricing to draw deposits.

d) Local Remittance

IBBL only deals with its clients through Pay Orders, Demand Drafts, and Telegraphic Transfers. Other than its customers, it does not frequently offer remittance services to third parties.

e) Pay Order (PO)

Pay orders are a method used to move money through a banking channel inside a city. They are normally safe because most of the instruments are crossed. The issuing branch will handle the payment. Pay orders must be credited to an account.

f) Demand Draft (DD)

Demand drafts are a widely used instrument for sending money across the country. In essence, this technology is used for transfer and payment. IBBL does not market DD to anyone outside its customers.

g) Telegraphic Transfer (TT)

Telegraphing money from one branch to another or from one place to another is among the quickest methods available. The TT issuing bank offers its counterpart instructions for money transmission via tested telex communication. Since TT does not include an instrument and involves the transfer of money, both parties are required to maintain accounts.

2.5.4 Clearing

Customers receive crossed checks in exchange for the secure transaction. Crossed checks cannot be contained from the counter, thus they must be collected through a banking channel that is clearing. A client of IBBL received and deposited a check from a different bank that is inside the clearing range. IBBL held onto the money until the check was cashed.

a) Transfer Delivery

The internal branch collection method for collecting checks at the clearing house is called transfer delivery. The collecting branch sends the check to their local office, which then sends it

to the proper branch and takes the necessary actions to honor the cheque when a branch office's check is deposited at another branch office.

The local office will then transmit the dishonored check to the collecting branch on the day of collection after being forwarded to it by the authorized branch if the check is dishonored.

The clearing house's function is not required in this instance because transactions are made between the same branches of the same bank within the clearing house.

b) Outward Bills for Collection

Customers place drafts, checks, and other goods in their deposit sleeps for later retrieval. The local clearing house collects instruments that fall within the clearing range, and OBC mechanisms collect those that do not.

c) Inward Bill for Collection

In this instance, upon receipt of the bill and a forwarding letter, the bank will serve as the collecting branch's agent. Here are the responsibilities: IBC registration number given at that time. The provided endorsement read, "Our branch endorsement conformed." The instrument is presented for approval in order to collect.

d) Credit Transactions

A branch of the same bank is given an IBCA, and these transactions are serially recorded in the credit side of the IBG A/C, when it demands payment from another branch of the same bank against any instrument (cheque, DD, etc.) and becomes responsible to that bank.

e) Debit Transactions

The authorized branch issues an IBDA to the receiving branch and the transaction is recorded on the debit side of the IBF A/C whenever a branch accepts checks or another form of financial instrument from another branch and pays the instrument on the authorized branch's behalf.

f) Evening Banking

After the conclusion of banking hours, the cashier's window closes. But on occasion, customers arrive to draw or deposit money after the service window has closed. However, their money is received or paid, and it is recorded in the daybook that follows. It is referred to as evening banking.

g) Alternative Delivery Channel (ADC)

ADC plays a significant role in IBBL's General Banking. The development of ICT technology and processes has essentially replaced the traditional banking system with the electronic and automated banking system. Electronic and automated banking is currently a worldwide phenomenon as a result of its provision of financial services to the unbanked through various ADC products. Electronic banking is widely used in industrialized nations due to its cutting-edge, cost-effective features and services.

h) Cards

*Instant Deposit Card: A one-time service fee of 50 Tk will be assessed for Instant Deposit Cards.

*Instant Classic/Express Card: A yearly service fee of 460 Tk will be assessed for Express Cards. There are no service fees associated with using a card for Student Account. And the maximum amount you can withdraw from an ATM is 50,000 Tk.

*Instant Gold Card: A yearly fee of 690 Tk will be applied to the instant gold card. The maximum amount that may be withdrawn from an ATM is Tk. 1 lac.

*The annual fee for the Platinum Debit Card is 900 Tk, while the maximum amount that can be withdrawn is Tk 5 lac.

2.5.6 Investment Mechanisms

The act of investing involves allocating funds with the intention of making a profit for the owner. An Islamic investment fund is frequently created when a number of people pool their money and invest it in conformity with Islamic law.

There are essentially three IBBL investment mechanisms:

➤ **Bai-Mechanism**

The word "Bai" stands for "Buy & Sell." Under the Bai-mechanism, there are generally five different investment types.

i) Bai- Murabaha

The Arabic word "Bai-Murabaha" means "Sale on Profit." Essentially, Bai-Murabaha is devoid of the Arabic letters for Bai and Ribhun.

ii) Bai- Muajjal

The phrase "Bai-Muajjal" means "Sale on Credit."

The term "bai-Muajjal" is a contract between a buyer and a seller in which the seller sells to the buyer certain particular commodities (permitted by Shariah and local law) for an agreed-upon fixed price that is due in full or in fixed installments at a particular future date.

iii) Bai-Salam

The words "Bai" and "Salam" stand for "Purchase & Sale" and "Advance," respectively. Therefore, "Bai- Salam" means "Advance Purchase & Sale."

iv) Bai- Istishna

A Bai- Istishna is a contract between a manufacturer/seller and a buyer under which the manufacturer/seller sells specific products after having manufactured them, if allowed by local law and Islamic Shariah, after having purchased manufactured at an agreed-upon price that is paid in advance or in installments over a specified period of time or on/within a specified future date based on the buyer's order.

v) Bai-As-Sarf

"Bai-As-Sarf" is an acronym for "Currency Exchange." Essentially, a Bai- as-Sarf contract is an agreement to swap money for money. This contract is subject to severe restrictions under

Shari'ah because it makes it simple to create an interest-bearing obligation, which is forbidden Islamic law.

2.5.7 Ijarah Mechanism

Ijarah is Arabic for "Hire Purchase." The asset's exchange value, consideration, return, wage, rent, or cost of service is actually what is being discussed here. Ijarah is defined as an agreement between a Hiree and a Hirer wherein the Hirer receives a particular service or benefit in return for a particular payment or rent from the Hiree's property. There are four crucial components to Ijarah:

- i) The Hire: The Hire is the organization that leases or rents the asset or service.
- ii) The Hirer: The Hirer is the individual or entity that contracts for the rental of a piece of property or a service in return for money.
- iii) The Rent: In essence, rent is the payment, stated either in monetary terms or in types, determining the amount of goods or money to be exchanged for the advantages or services provided by an asset.
- iv) The Benefit / Asset: The thing that is rented or hired is referred to as the benefit.

2.5.8 Share Mechanism

There are two modes that IBBL follows in the Share Mechanism:

- i) Mudaraba:

In a profit-sharing partnership known as mudaraba, one party invests funds while the other provides labor and expertise. Shahib al-Maal is the name of the financier or capital provider in the Mudaraba contract, while Mudarib is the name of the supplier of labor and talent. Essentially, a mudaraba is a partnership agreement whereby the mudarib receives funding from the Shahib al-maal to invest in a company using his work and resources.

- ii) Musharaka:

"Musharaka" is an acronym for "Partnership or Sharing." A musharaka is essentially a partnership agreement between two or more people or entities that establishes the requirements for each partner to provide capital, participate in management, split profits proportionally to their capital or in accordance with a predetermined ratio, and bear losses, if any, proportionally to their capital/equity ratio.

Chapter 3

Study Framework

3.1 Study Framework

In this research the main thing is to show a reliable and easy marketing analysis approach to evaluate the overall marketing practices and situation of the bank year to year. This ensures that the use of marketing analysis in the decision-making process is transparent to applicants and other stakeholders.

The processes are used for showing the performances of managing financial risks are given below:

1. Marketing Mix analysis

The four P's are the four essential factors involved in marketing mix of a product or service to the clients. The four Ps are product, price, place, and promotion. The Concept of the marketing mix or 4p's demonstrated the ways that bank could use advertising tactics to engage their clients. With the use of the four Ps the bank provide a framework on which to build their marketing strategy.

2. STP analysis

STP marketing is an acronym that stands for segmentation, targeting, and positioning. It is a three-step procedure that enables for the creation of a targeted and actionable marketing strategy. In the mixed market condition in the industry it is very important. This analysis is used for predicting the current marketing procedures that the bank is using. In this paper this analysis will be used to show the daily basis marketing movement of the bank.

Chapter 4

Analysis

4.1 Analysis

Bangladesh cannot afford to waste the banking industry resources at this time or it will be unable to compete on the global banking evolution. The International banking industry's main agenda item is the wise and effective use of marketing resources through bank. The current state of the banking industry will be examined during this study. The first aim is to develop appropriate responses to sensitive problems and put plans in place that will accelerate Bangladesh's banking industry's expansion. The concerning event of collapse of Dhaka Stock Market in 2010 has raised concerns about Bangladesh's banking industry safety regulations on a worldwide scale. Following this tragic occurrence, banking industry put the importance on research and development through mix marketing strategy. Many banking staffs have sought higher pay and the implementation of safety regulations. Bangladesh has pleaded with the European Union not to retaliate harshly against them in light of this tragic disaster. Bangladesh's economy will suffer greatly if the EU or other customers impose any stringent regulations on money trade with Bangladesh. Millions of employees will also lose their jobs.

4.2 Segmentation, Targeting and Positioning Strategy

STP marketing is an acronym that stands for segmentation, targeting, and positioning. It is a three-step procedure that enables for the creation of a targeted and actionable marketing strategy.

4.2.1 Market Segmentation

Islami Bank Bangladesh Limited's market segmentation is the process of dividing a market into discrete groups of clients that have different demands, traits, or behaviors and may require different services or marketing strategies. Clients who respond similarly to a particular set of marketing initiatives make up a market segment. The below-listed demographic, behavioral, and psychographic elements make up our customer's profile (Islam M.M.2021).

a) Individual's demographic Segmentation:

The population size and growth rate in this sector are both quite good. The population's age distribution is related and can have a positive effect. Because clients of any age might be the

target market for this sector. Along with lifestyle, education levels and income dispersion also rise. Ethnic diversity and income disparity are potential growth areas for this sector. For this industry, geographic distribution may have possibilities. The socio-cultural component is crucial to any industry. It has the ability to regulate the buying group's purchasing habits. Family dynamics can have an impact on a person's or a group's overall purchasing habits. People's attitudes toward their employment and living situations can influence their purchasing behavior. Low living standards cannot be a requirement for high buying.

b) Behavioral Segmentation:

Many elements, such as the situation, personal and psychological issues, family, culture, and environmental and marketing influences can affect a clients's behavior. Islami Bank Bangladesh Limited tries to identify trends so they may efficiently market to the people most likely to purchase their promotional service products. They frequently attempt to sway a client's behavior by using factors they have control over, such as a branch size, clean environment, the grouping and accessibility of its products, pricing, and advertising. Different factors can affect how the clients behave, whether they persuade people to make a purchase, look into further products, or make no purchases at all, however some affects may be short-lived and others long-lasting. The following are the key behavioral traits that the bank seeks:

- Are willing to pay a premium for higher suitable products and service.
- There is value attributed to the more attractive promotional product.
- Enjoy different types of account access and the bank is making it easy.

c) Psychographic Segmentation:

Personality traits, way of life, socioeconomic status, habits, actions, and hobbies are examples of psychographic elements. Each of these distinct psychological aspects has a significant impact on how clients behave. Banks utilize these variables to categorize their audience according to psychographic characteristics.

- The Islami Bank Bangladesh Limited's face value is a fantastic psychological feature that attracts more clients.
- Reduce involvement in product purchase by seeking account service information.

- Sometimes, provide market challenging quality services that no one else can provide.
- Susceptible to low to moderate levels of emotional attachment to the bank.

4.2.2 Target Market

The majority of Islami Bank Bangladesh Limited's products are made to address certain issues for a target market that is even more narrowly focused. The bank may better understand which advertising platforms to employ, what goods and services to offer, and what kinds of content and images will encourage prospects to take action by knowing its client base through a target market analysis (Muhamad, R., Melewar, T. C., & Faridah Syed Alwi, S. 2012). The major target markets of the bank are based on current income, assets, savings, and risk preferences:

- a. Customers who are interested in Shariah banking system.
- b. New younger consumers interested in halal and low risk savings.
- c. People with limited income or financial needs.
- d. Customers in the bank who has business spread over several banks.
- e. Customers who are focused to do most business with one Islami bank.
- f. Customer retention or inactive customers of the bank.

4.2.3 Market Positioning

A Bank's position refers to where it stands in clients eyes in relation to its rivals. The goal of Islami Bank Bangladesh Limited is to create distinctive market positioning for its products and services. Islami Bank Bangladesh Limited initially evaluates potential competitive advantages on which to base the position before presenting its product. By pricing less and providing more benefits than rivals, the company offers higher value to its target customers in order to establish a competitive edge. The major points that are ensured by the bank are:

- High-quality service and products.
- Expert Banking Professional
- Reliable

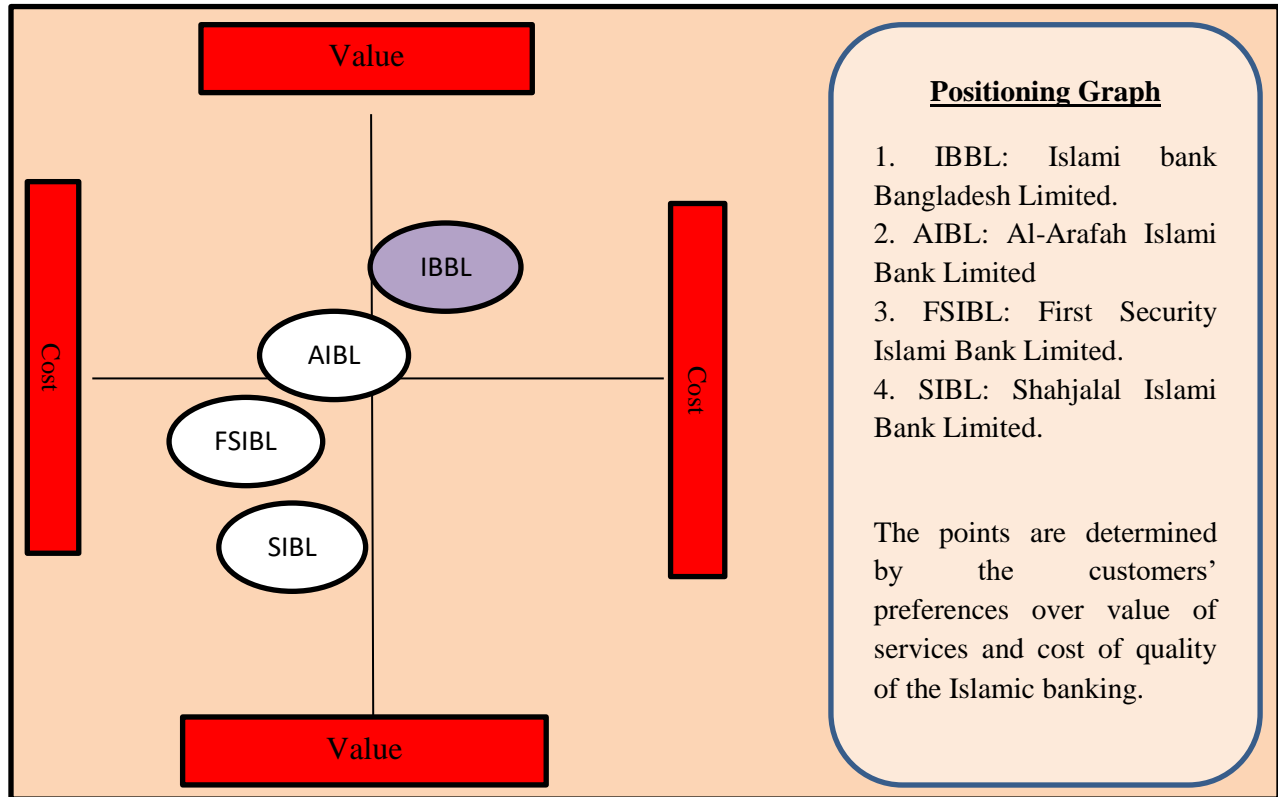
Market Positioning Map of IBBL: The market positioning represents the IBBL's competitive advantage in the Islami Banking sector. The competitive advantage includes two major parts:

A. Identifying Main Competitors:

1. Al-Arafah Islami Bank Limited
2. First Security Islami Bank Limited
3. Shahjalal Islami Bank Limited
4. Social Islami Bank Limited

B. Analyzing Competitors (Points-of-Difference and Points-of-Parity)

| Points-of-Difference | Points-of-Parity |
|--|---|
| Islamic Credit Card designed to suit all customers' needs | Shariah Based Always |
| Large number of branches than other Islamic banks | Banning of the receipt and payment of interest |
| Large number of share deposits than competitors. | Banks profit can be positive, zero or even negative |
| Offer large number of necessary and sufficient product and service choice. | Multi-purpose institution |



4.3 Marketing Mix Strategy of Islami Bank Bangladesh Ltd.

Marketing is the practice of explaining to customers the benefits of a product or service with the aim of selling that product or service. To create, distribute, and communicate value to customers, as well as to manage customer relationships in a way that also benefits the company, a collection of processes known as marketing can be considered (Solaiman, M., Chowdhury, M. M. H., & Uddin, M. S. 2007).

It entails the coordination of the four marketing "4 P's":

- Identification, choice, and development of a product;
- Determination of price;
- Choice of distribution method to reach client; and
- Creation and implementation of a promotional campaign.

4.3.1 Products of the bank

IBBL Product Strategy typically includes:

a) Product and Service Classifications with Characteristics:

| Product Type | Product Name | Characteristics |
|----------------------------|---------------------|--|
| Deposit Products | Al-Wadeah Accounts | <ol style="list-style-type: none"> 1. Bank commits to refund money deposited in these Accounts on the demand. 2. Takes permission from customers that the Bank may utilize their money. 3. No profit or loss in these Accounts. |
| | Mudaraba Accounts. | <ol style="list-style-type: none"> 1. Bank invests deposited money. 2. Distributes minimum 65% of investment-income earned through deployment of Mudaraba funds. 3. Bank distributes investment income at the end of the calendar year. |
| Investment products | BAI-MODES | <ol style="list-style-type: none"> 1. Profit is shared as per agreement. 2. Loss beared by client. 3. Amount can be paid on installment basis. 4. Usual duration 1-2 year(s). 5. Rebate may be given on Early Adjustment. |
| | SHARE-MODES | <ol style="list-style-type: none"> 1. Partnership in profit. 2. One party provides capital and the other party provides skill and labor. 3. Share the profit as per agreed upon ratio and the losses. |
| | IJARA-MODES | <ol style="list-style-type: none"> 1. Shirkatul Melk: Share loss or profit as per share equity in investment. 2. Ijarah: Offer and Exchange of products for rent and benefit. |

| | | |
|--------------------------------|--|--|
| | | 3. Sale: Purchase under joint ownership and at the end transfer ownership to other party. |
| | Investment Scheme | 1. Investment facilities to purchase household articles. 2. Invest for Maximum 4-years. 3. 9.00% or the rate to be determined by the Bank from time to time. 4. Invest Tk. 0.20 million without collateral & up to Tk.1.00 million with collateral with security. |
| Rural Investment Scheme | Agricultural project | 1. Deposit of minimum Tk.2.00 per week in the Centre Fund. 2. Fund is utilized for the welfare of the members. 3. This fund is refundable. 4. No security is required against investment. |
| | Domestic farming project | |
| | Off-farming activities | |
| Services | NRB (Non Resident Bangladeshi) service | 1. Remittance card service for 24hr transaction and maximum 50,000tk transaction. 2. Investment facilities of 18-50yrs age persons in financing projects from Tk.0.05 million to Tk.100.00 million. 3. Access of new deposit product of Mudaraba NRB Savings Bond. |
| | SME service | 1. Potential entrepreneurs under Sharia'h based banking facility. 2. Specialized SME/Agriculture Branches. |
| | ForEx Service | 1. Foreign Exchange business. 2. Remittance arrangements. 3. Work as representative in abroad. |
| | Locker service | 1. Personalized service. 2. Facilities to access outside scheduled time. 3. Safe custody of goods and bonds/shares |

| | | |
|--|------------------|--|
| | Offshore Banking | <p>1. Banking internationally under Al-Wadiah Current A/C.</p> <p>2. Facilities: Bill Financing, Import Finance, Export Finance, Short Term Murabaha, Project Finance.</p> |
|--|------------------|--|

b) Product Mix of Islami Bank Bangladesh Limited:

| Current Account | Savings Account | Fixed Account | Other |
|--|---|--|---|
| Al-Wadeah Current Record (AWCA) | Mudaraba Unique Reserve funds (Annuity) Record (MSSA) | Mudaraba Investment account (MSA) | Mudaraba Hajj Investment account (MHSA) |
| Mudaraba Term Store Record (MTDR) | Mudaraba Muhor Bank account (MMSA) | Mudaraba Investment funds Security (MSB) | Students Mudaraba Investment account (SMSA) |
| Mudaraba Extraordinary Notice Record (MSNA) | Mudaraba Outside Cash Store Record (MFCD) | Mudaraba NRB Investment funds Security (MNSB) Record | Mudaraba Agriculturists Investment account (MFSA) |
| Mudaraba Month to month Benefit Store Record (MMPDA) | NRB (Non Occupant Bangladeshi) Business visionaries Speculation Scheme (NEIS) | Investment Plan for Specialists (ISD) | House Hold Speculation Plan |
| Mudaraba Waqf | Women Business | | Transport Speculation |

| | | | |
|---|----------------------------|--|--|
| Money Store Record (MWCDA) | people Venture Plan (WEIS) | | Plan (TIS) |
| Small Business Speculation Plan (SBIS) | | | Agricultural Actualize Venture Plan (AIIS) |
| Land Speculation (Business and Working Capital) | | | Horticultural Speculation of IBBL |

4.3.2 Pricing strategy

Price is the value that a company charges for a good or service, or the total value that a customer forks over in exchange for the benefits of purchasing or using the good or service. Pricing determines how much money a business can make from transactions and how much profit it can make. The price of an item can be ascertained using a variety of techniques. In this section, we will try to understand how to investigate them as well as the best course of action in certain scenarios.

- a) **Perceived-Value Pricing:** Islami Bank Bangladesh Limited mainly value its products with the contributing information relevant to the making of pricing decisions in financial entities to develop a value perceived by its customer of banking services. Because of this, all clients can pay the price of products as they expected. The promotional product's few units are offered for a very low price almost at the cost of an advertisement and the middle majority of units are economy models. In a premium pricing approach, the most expensive product (like platinum visa card) is sold at the highest rate. During recessions, economic pricing records more purchases.
- b) **Value Pricing:** By setting value pricing method the bank win loyal customers by charging a fairly balance price for a high-quality product offering. Value pricing is thus not a matter of simply setting lower prices but a matter of setting a perfect price without sacrificing quality for value-conscious customers. It is a pricing strategy that allows new

products to enter the market as quickly as possible by making them available at balance cost. It tries to increase the product's market share, and if it is attained and demand increases, the bank will raise the price of the product. Nevertheless, it ultimately results in larger earnings because it broadens the market. The new product that the company is offering is already being sold by other, well-known companies, which is why the value pricing was chosen. Customers may be persuaded to alter new items by their low cost.

Price and term reference of Islami Bank Bangladesh Limited.

| Account type | Maintain Charge | Closing Charge |
|---------------------------------|--------------------------------------|----------------|
| Al-Wadeeah Current Account | 1,000 tk yearly | 300 tk |
| Mudaraba Savings Account | 600 tk yearly (Above tk 1,00,000) | 200 tk |
| Mudaraba Special Notice Account | 1,000 tk yearly | 300 tk |

The marketing department of Islami Bank Bangladesh Limited sets the product's promotional strategy. The account segment examines its prior sales volume to evaluate demand. The bank's market projections are useful in determining the relationship between the quality and cost of its products. The bank has chosen a market-based pricing strategy in an effort to maintain its industry position while continuing to conduct this operation.

4.3.3 Place Strategy

The place is organization's market transfer strategy framework for products and services. In most cases, the corporation is given a direct channel. Islami bank Bangladesh Limited receives the clients demand straight from branches and online portals.

a) Banking Channels: Islami Bank Bangladesh both follows Online and offline channels of Banking.

b) Banking Coverage: Islami bank Bangladesh operates its banking activities all over the country and in cross border banking by following international banking regulations.

c) Banking Locations: Both urban and rural places covered by the bank's branches and ATM booths. Setting up branches in the nearest possible gathering places like city or village markets, shopping centers, main town, business area and residential areas. Like Mohammadpur branch, Banani Branch, Cantonment Branch etc.

Branch information of IBBL:

Zone wise branch information:

| Zone Name | Number of Branches |
|-----------------------|--------------------|
| Barisal Zone | 26 |
| Bogura Zone | 23 |
| Chittagong North Zone | 30 |
| Chittagong South Zone | 30 |
| Comilla Zone | 26 |
| Corporate Branches | 8 |
| Dhaka Central Zone | 16 |
| Dhaka East Zone | 24 |
| Dhaka North Zone | 26 |
| Dhaka South Zone | 21 |
| Jessore Zone | 25 |
| Khulna Zone | 25 |
| Mymensingh Zone | 24 |
| Noakhali Zone | 23 |
| Rajshahi Zone | 25 |
| Rangpur Zone | 20 |
| Sylhet Zone | 22 |

Total number of ATM Booths: 1852 booths all over Bangladesh.

4.3.4 Promotional Strategy

To communicate the benefits of Islami Bank Bangladesh limited's product and to pursue its target market, the bank uses promotion, marketing tools, and standards for a variety of actions. The bank strictly follow Integrated Marketing Communication system by ensuring audience reached by each communication, create desired response for clients, make communication effective for consumers and maintain cost efficient communication program (Hossain, M. A., & Islam, M. Z. 2015). There are different kinds of promotional tools used by the IBBL. The key promotional strategies are:

- i. Banking Ethics promotion:** Their reputation for never compromising Shariah based service.
- ii. Consumer Promotions:** Coupons, Premiums, Contests and sweepstakes, Refunds & Rebates, Sampling, Bonus Packs, and Price-offs.
- iii. Internet marketing promotions:** Advertising in trade journals, buying online banners, Promotional video etc.
- iv. Sponsorship Program:** Individually or partly join in the sponsorship of events like cricket tournament, concerts, and football tournaments.

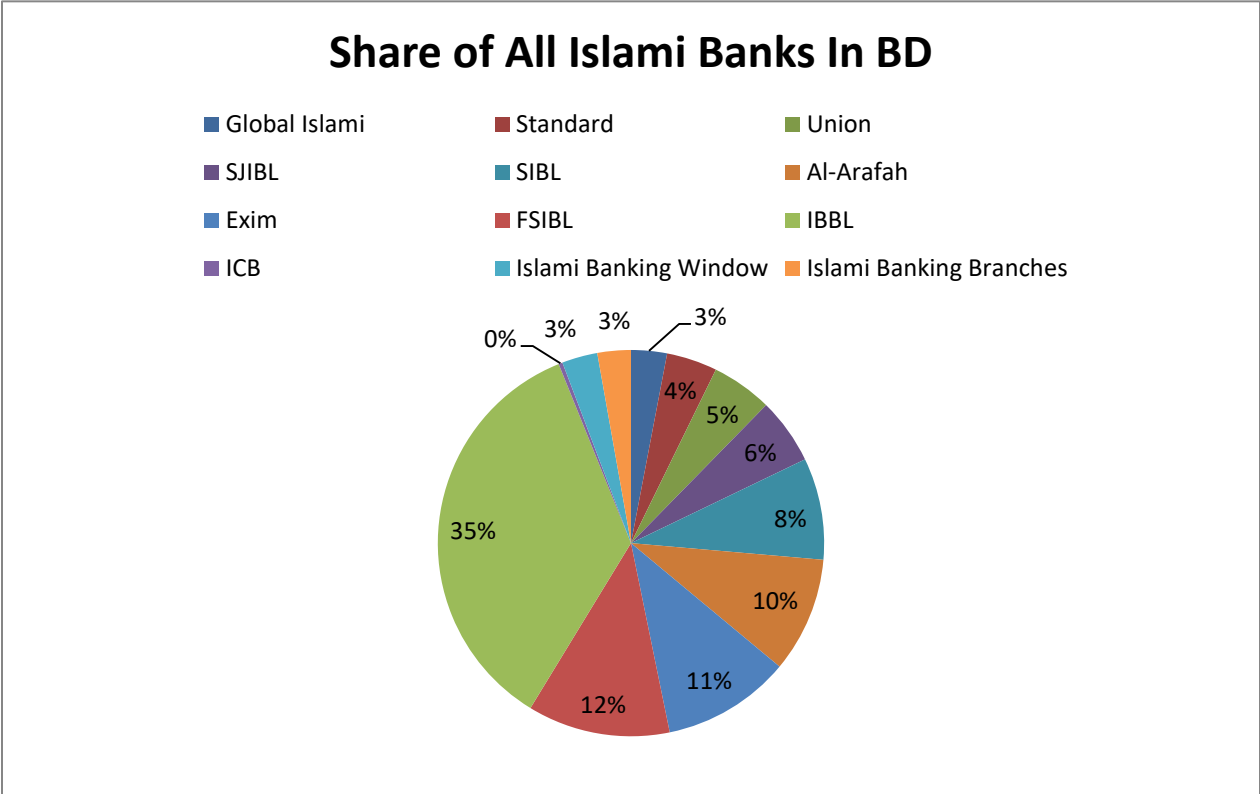
4.4 Competitor Analysis

Although "Islami Bank Bangladesh Limited" is a well-known and established bank in the industry, there are some notable differences between the other Islamic banks in the country. The major competitors are:

- Al-Arafah Islami Bank Limited
- First Security Islami Bank Limited
- Shahjalal Islami Bank Limited
- Social Islami Bank Limited

| Share of Deposits of All Islami Banks In BD | |
|---|-------|
| Global Islami | 3.00% |

| | |
|-------------------------|--------|
| Standard | 4.24% |
| Union | 5.09% |
| SJIBL | 5.53% |
| SIBL | 8.52% |
| Al-Arafah | 9.66% |
| Exim | 10.75% |
| FSIBL | 11.93% |
| IBBL | 35.18% |
| ICB | 0.33% |
| Islami Banking Window | 2.98% |
| Islami Banking Branches | 2.80% |



Chapter 5

Findings of the Study

5.1 Major Findings

To do the analysis of this report, two major marketing analysis tools are used which are STP and Marketing Mix. The major findings of this report are given below-

- a) Islami Bank Bangladesh Limited practices individual demographic, behavioral and psychographic variable segmentation policy.
- b) IBBL considers client's age, lifestyle, education levels and income under the individual demographic segmentation.
- c) Under behavioral segmentation IBBL considers personal and psychological issues, family, culture and environment form the.
- d) Personality traits, way of life, socioeconomic status, habits, actions and hobbies IBBL considers for psychographic segmentation.
- e) The bank wisely chooses its target market by categorize its clients over Islamic banking interest, halal banking policy, financial needs, focused banking and customer retention.
- f) IBBL does target market analysis to know which advertising platforms to employ, what goods and services to offer to attract new younger consumers, customer with financial need and inactive clients.
- g) IBBL set its market position based on the clients view and compares its competitors.
- h) Islami Bank Bangladesh Limited creates distinctive market positioning for its products based on their competitive advantages over product value and cost.
- i) Under the marketing mix practice IBBL offers deposit products, investment products, rural investment schemes and services to its clients with different user friendly characteristics and attractive features.
- j) IBBL set the product price through perceived-value and value pricing strategy with the help of contributing information and ensures high value for the clients.

- k) IBBL implemented market transfer strategy framework for products and services placement.
- l) The bank uses Integrated Marketing Communication system to promote its product in the market to attract the clients.
- m) Various market segmentations of IBBL increases cost of products and services due to target market reach and less product variations.
- n) IBBL's positioning strategy for long term is not supported sufficiently over time which is ultimately leading to confused positioning.
- o) IBBL still follows some old product mix protocols to reach clients which is difficult for client to understand the features of products.
- p) Adoption of advance promotional technology of IBBL is not sufficient to lead the market in future.
- q) The competition raise in Islami banking industry due to the new entrance in the market and also Islami banking is offered by the conventional banking.

Chapter 6

Possible Recommendations for IBBL

6.1 Possible Recommendations for IBBL

IBBL's strategy is focused on achieving long-term business growth by providing better and quicker customer service. Based on the findings of this study, Islami Bank Bangladesh Limited might benefit from the following recommendations:

- 1) The bank should practice specific market segmentation strategy for specific target market lead to reduction of the cost of the products and services.
- 2) Utilization of effective E-banking service, online banking, ATM booths and Agent banking can support sufficiently to mitigate confused positioning for IBBL.
- 3) Use of modern banking product mix protocol in every step of banking will reduce the client's confusion over products of IBBL.
- 4) Adoption of a structured advance promotional strategy for high reach in the market lead IBBL to stay on top of future Islami banking industry.
- 5) Strategy for cost leadership, product differentiation and specific niche targeting give IBBL competitive advantages in the growing market.

Chapter 7

Conclusion

7.1 Conclusion

Despite all the financial hardships and political unrest that were apparent in earlier years, IBBL Bank Ltd. remained unwavering in its commitment to financial progress. IBBL Bank Ltd. has its sights set on meeting the evolving needs of its customers. The Bank is well-positioned to offer specialized services. The Bank's broad demographic base is its main focus, along with what they want from the Bank. The goal and intention of IBBL Bank Ltd. is to accelerate the pace of development and progress at a cutting-edge level, in order to position the bank as the leading provider of cost-effective and budgetary services in the country. Today's Business Keeping money is a difficult task. Business banks are exceptional financial institutions that contribute more than any other budgetary base to the overall health of the economy. It has an endlessly demanding and relaxing duty. Yesterday is not like today, and tomorrow will be different from today. In order to serve its customers in a more enticing and persuasive manner that is sensitive to these changes, IBBL Bank Ltd Restricted must implement a sensible improvement in its lifeless condition given the rapidly changing, powerful global economy and the growing weight of globalization, 1 union, and disintermediation. IBBL Bank Ltd Constrained needs to adopt some of the latest corporate best practices in order to further improve the client benefit programs. Advertising strategy refers to the method of promotion that the specialized unit plans to use to reach its marketing objectives. The organization decides which clients it will service and how through market segmentation, focusing on, and positioning. It separates the overall market into smaller segments, chooses the most promising ones, and focuses on providing services and meeting the needs of customers in these segments. The company designs an advertising mix comprised of elements under its control for item, value, place, and advancement under the direction of showcasing technique. The company engages in advertising investigation, arranging, usage, and control in order to determine the ideal promoting system and blend. The organization keeps an eye on and adjusts to the performers and forces in the promoting condition through these exercises.

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