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## Introduction

A marketing entry strategy is pre planned way of delivering goods and services to their [Target Market](#) and allocating the customers after. While involving in import and export transaction, several contracts are taken place in a host country. When a company wishes to enter new country, the three major issues can be seen like marketing, sourcing and investment. Marketing will include the idea of targeting which segment, how to enter the new market and what information will be required to enter and many more. Sourcing is deciding whether to obtain or buy or make products. Investment is nothing but to think how to entry other country with maximum profit and stay financially strong as well (Sansare, 2013).

## Some marketing entry strategies are:

- Exporting
- Mergers and acquisitions
- Joint venture
- Licensing
- Franchising
- Country trade
- Third country location and
- Fully owned manufacturing facility

Public Bank Berhad was established in 1966 by The Hing Piow. It is the one of the largest organization in the banking sector in Malaysia. It offers products like personal, commercial and corporate banking, share and investment banking, Islamic banking and many more. Public Bank has got 259 branches and 1,801 self-service terminals in Malaysia. The bank is highly involved in six major segments and operations. They are commonly named as Hire purchase operations, corporate lending operations, [Retail](#) operations, treasury and capital market operations, investment banking operations and fund management operations.

Hire purchase operations helps in providing the finance related to vehicles to the customers.

Corporate lending operations aims to managing needs of the corporate clients and customers.

Retail operations focus on providing products and services to the customers from individual level to small and medium enterprises.

Treasury and capital market operations deals in products and services related to treasury markets.

Investment banking operations provides financial services and direct lending to

the business customers where they will get to know where to invest and get the maximum return. Here, the corporate customers are given advices on where to invest and how much to invest in order to earn the maximum return and profits.

Fund management operations aims at selling and managing trust unit funds.

Besides these all above mentioned operations, Public bank Berhad also aims at managing non-core operations like property holding.

## **Teh Hong Piow to retire as Public Bank chairman in 2019**

The Hong Piow has controlled activities of the bank since 51years but is retiring from the non-executive chairman post from 1<sup>st</sup> of January, 2019. He has brought par excellence over the last years and contributed a lot to the banking industry. He will remain as an advisor who will support and guide the Public Bank group.

## **Entry mode: Joint venture**

Public Bank Berhad have chosen joint venture as an entry method and implemented successfully. It has owned 100% license from state bank of Vietnam and rename its existing name as Public Bank Vietnam limited i.e. .PBV instead of PBB. The [Economic Growth](#) on Vietnam is commendable and is growing with a huge progress with a 6.68% of GDP in 2015. PBV will aim at focusing the retail banking sector of Vietnam and help customers in operating SME's (Tuoi, 2014). Moreover, public bank Vietnam will provide a good and sound platform for the business in Malaysian community to operate business activities. The insurance of 100% foreign owned bank license to PBVN would boost PBB presence on regional basis in Indo-China (Corporate news, 2016).

## **SWOT analysis**

Joint venture of PBB and PBV is quite successful and will definitely promote success. Since, Vietnam is one of the fastest growing country in terms of economy. It also aims at focusing on the FDI sector and some private sectors as well. Moreover, Vietnam has a huge population growth in the world and also expected to grow at the rate of 1.2% in 2020. Vietnamese are highly educated and prefer to involve in IT sectors and banking sectors at a more competitive cost (Cavusgil, 2012). So it will benefit in the successful joint venture of the bank. Similarly, the legal environment in the Vietnam is very transparent which easily gives access to MNC to enter the market (Ernst, 2013). The bank aims at focusing on the different major business divisions from where it manages its income which are the company strength as well.

## **Domestic consumer banking and SME lending:**

It offers finance for purchase of several properties, share margin financing, working capital, trade financing and credit card guarantee which helps bank to earn profits on billions and also become the largest contributor of profit.

## **Fund management:**

It manages 133 units of trust funds in Asset under Management i.e. AUA which worth RM 70.3 billion. In the year 2017, it has achieved RM 967.5 Million and

RM 572.9 Million in operating revenues and profits before tax (PBT).

### **Bancassurance:**

Public bank Berhad has done a 10 year partnership with AIA group to sell its insurance products with 500 licensed staffs and for sales team and 2700 staffs for credit life insurance products. It created its market by generating RM 224.6 billion of profits (Berhad, 2014).

The weakness seen in the Vietnam country in banking sector are inadequate amount of infrastructure, grey areas of Vietnamese law and language barriers. The laws and regulations in the Vietnam restrict the entry of any new business and it creates hurdles. The documentation required for export and import is very difficult in such country (HTF, 2017). There are several concerns regarding obligations and responsibilities where the new entrants may suffer. Despite of all the mentioned weakness and obstacles, these factors can be easily avoided and will help in successful venture if worked properly (Vuong 2013).

### **Operational Strategy and corporate objective**

The company makes sure that it has the growing market share in retail business in both the domestic as well as overseas markets by maintaining prudent risk and high asset quality management. The effectiveness of maintaining the strategy and executing it helps the company to build strong bonding and offerings of competitive packages to its demanding customers. The bank does not compromise in the quality of its assets and has proven itself in sustaining accelerated growth. The loans and advances of the group is increasing along with the core customer deposits which is good sign for the company (Asia bank, 2012).

This bank focuses on sustaining and maintaining the most suitable, efficient and financial institution. The objective followed by bank is aiming on its customers by providing them most courteous services in terms of innovations if new products and services. It also aims on its shareholders by generating maximum profits on the investments. It also develop objective for the employees by promoting their staffs with huge fringe benefits and providing opportunities for career enhancements (Public bank, 2018).

Introduction of PB share link was also performed by this bank. PB share link is a product which was specially designed by the bank that will help customers to share trading and margin financial needs on the Malaysia Security Exchange Bhd i.e. MSEB. It enables its potential customers to increase the purchasing power by leveraging against the funds that is already existing. It does not matter whether the customers are the existing one or the new investors, public bank will always provide the best alternative investment decision that will best suit their needs and maximize the profit. Public bank also aims at providing the insurance services to its customers. People who have already taken home loan from this bank and now are looking for best insurance plan to cover the loan taken. It also provide income protection plan which will help the customers to take care of the family members when they are no longer available.so this bank provides such plan which will focus the two aspects i.e. higher return with maximum insurance coverage. Whatever the needs are, public banks offers variety of insurance plan which are underwritten by ING insurance Berhad to serve the protection needs of their reputed customers.

## **Intended organizational design**

The global product offered are fixed deposits, acquisition of assets and vehicles, credit card guarantee, foreign currency accounts. It also provides Islamic banking, nominee and trustee services, unit trust funds, insurance products, and investment banking services, M and A, stock broking, debt advisory services, structured financing services across the globe with the network of 259 branches.

## **Global area**

The company operates with a total network of 259 branches and 2000 terminals for the services in Malaysia, 83 branches in Hong Kong, 28 in Cambodia, 7 in Vietnam, 4 in Laos and 3 in Sri Lanka. It is headquartered in Kuala Lumpur, Malaysia (Lek, 2018).

## **Global function**

The main function of this bank is to provide strong [financial performance](#) and prudent management in terms of consistency. It also aims at providing and utilizing the resources effectively and mobilize the capital for exclusive deposits and schemes. It also provides higher rate of interest to the customers and also aim at providing higher profits. The bank also provides lockers facilities and credit card guarantee to its esteemed customers. Providing mutual funds and insurance plans with various schemes are the major function of the bank (Jagran, 2015).

## **Global customers**

It has its potential customers across the market. Since it has a huge network in many countries, it has gained many customers in its operations by providing many products and services. It has also targeted new entrepreneurs and small to medium to large organizations as well. It serves its customers internationally also.

## **Scope for expansion**

Public bank Berhad is the second most expensive bank in terms of market value offers. The bank after the joint venture will focus more on the organic expansion to gain growth in future. The members of the bank are still looking for the skills and gender diversity where they can diversify their products and services and earn a huge profits. It will generate the scope of expansion too. To enhance its performance, it will aim at maintaining the earnings momentum by neglecting all the challenges faced in the operating environment. Since, it has already expanded its business, it has now no plans to expand into other many Asian markets. It would rather focus on reinforcing its strategy in the countries it already exists. To will focus on the sustainable growth in retail banking sectors. It will start focusing on the residential properties financing, passenger vehicles and commercial lending, supported by extension of credit to small and medium enterprises (SMEs).

It is the number one bank in lending the residential mortgages, passenger vehicles and property to domestic lenders. Compression in the net interest margin is the main issue faced by the several banks. But this bank has promised

to increase productivity more efficiently and provide quality assets despite of the issue faced. It has also opted cost model approach to calculate its accounting standards but not fair value model to analyze cost and benefits because fair value model will not generate profit in terms of reserves, equity capital and its return (Puspadevi, 2015).

## **Financial capital requirements**

After the joint venture of the bank, the capital required for the growth of the business is very high. To reach its estimated growth, it has be very strong financially. To manage several projects undertaken after the joint venture of the bank, the capital required has raised up. Despite of the [\\_global financial crisis](#) took place in 2008, it managed to stand as the 3

Credit risk is the loss of revenue which when taken in the form of loan and are not returned back. It has recorded Gross Impaired Loans Ratio of 0.5% which is a sign of financial crisis. Market risk involves loss from variables like foreign exchange rates, equity prices and interest rates. Likewise, operational risk is the risk of cyber threats and electronic payments frauds which weakens the information security of a company. Public bank manages to engage itself in consultants and services to ensure its technology. Moreover, capital adequacy risk is the risk aroused due to the insufficient capital in order to satisfy regulatory capital requirements. Since public bank has a sound financial conditions, it does not faces any financial issues. It has recorded its total capital ratio of 16% and the minimum percentage required is only 8%. It is also expected that in the year 2019, the additional capital conservation buffer will be of 2.5% (Rahman, 2012).

## **Staffing policy**

Staffing policy is the tool which is used to promote and develop corporate culture I an organization. Employees can be broke down into many categories depending on the work conditions in an international company. The three categories are polycentric staffing policy, geocentric staffing policy and ethnocentric staffing policy.

### **Polycentric staffing policy**

In polycentric staffing, a company hires a host country nationals in the company for different positions i.e. from subordinates to executives. In developed countries, polycentric policy can easily be implemented because they have got highly educated and trained employees who can easily be located (Tiwari, 2013). In the public bank Berhad, it follows polycentric staffing policy where host country nationals are hired who guides the company on local market condition, laws, values and norms at foreign locations. Due to implementation of such policy, it makes local employees cheaper because there will be no relocation expenses and other expenses of compensation. Public bank follows this policy because it helps to gain sustainable growth in terms of domestic economy and international profits as well (Grimsley, 2018).

### **Ethnocentric staffing policy**

Ethnocentric staffing involves staffing of the employees in several important

positions in foreign subsidiary with expatriates from the company's home country. Expatriates are those who represent the company in the better way and makes sure that the offices at host country are properly aligned with the home country headquarters (Shah, 2012). Here in the bank i.e. public bank Berhad, it has set its employees from the home country to the host country so that they will guide better and represent the company in foreign subsidiary. The bank has also transferred its current employees to foreign who keeps the record of all the task performed there. It aims at avoiding the language barriers and communication becomes easy and also it helps to eradicate cultural barriers (Cram, 2016).

## **Geocentric staffing policy**

Under this staffing policy, the company recruits the person for the positions available despite of their nationalities. It aims at focusing on the globally integrated [Business Strategy](#) the constrained factors involved here are political and government laws. Large banking institutions generally opt these strategy to gain sustainable growth and success (Dowling, 2013). In the public bank Berhad, for international recruitment, it uses internal source of recruitment for effective tracking system. It recruit its employees on various segments and provides training to their employees which enables them to work efficiently and effectively (Whitehead, 2017).

## **Conclusion**

Thus, it can be concluded that public bank plays the major role in the banking sector and provides many products and services to its customers. The bank has successfully implemented the joint venture of the two company's public bank Berhad and public bank Vietnam. This venture provides the sound platform for the business activities in terms of finance. It also aims at creating a transparency by creating an updated technology and getting aware of the misuses. It provides fund management advices where the customers are aware of where to invest and how much to invest to earn the maximum profit. It has a huge network of several branches and terminals across the world which aims at maintaining the sustainable growth of the company. It also provides mortgage of the vehicles and properties to its domestic lenders. It has also aimed at providing loans to its potential customers at the time of urgency and meet their requirements. Likewise, it also serves its customers by providing a platform digitally where they can access the required information globally. Thus, Public bank Berhad plays a vital role in providing many activities,

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