

FINANCIAL SERVICE

IN THIS TOPIC WE DISCUSS
MEANING , TYPES , AND OBJECTIVE



Financial services

What is the meaning of financial service ?

Financial Services is a term used refer to the services provided by the finance market. Financial Services is also the term used to describe organizations that deal with the management of money. Examples are the Banks, investment banks, insurance companies, credit card companies and stock brokerages



Types of financial services

The various kinds of financial services provided by banks and financial institutions can be classified into two categories

- A. Asset based or fund based services.
- B. Fee based or advisory services.



Asset based or fund based services.

1. Lease Finance
2. Hire purchase and consumer credit
3. Bill Discounting
4. Venture Capital
5. Housing Finance
6. Insurance Services.



Fee based or Advisory services.

1. Issue management
2. Portfolio Management
3. Merger And Acquisition
4. Credit Rating
5. Stock Broking etc.



Objective of Financial Services

1. **Generate consumer interest.**

For example : Banks gift offered to its credit members on the introduction of a new member is an instance of creating interest and generating trial sales.

2. **Generate enquiries from the target customer group.**

For example : Free catalogues given to the customers of financial institutions about availability of financial products.

3. **Organizing events for a brand at the retail outlet thereby generating additional sales of the product .**

For example : Organizing loan mela by the banking companies for offering loans of various kinds to its customers.

4. **Motivate Customers to repeat their choice.** For example : Visa , master card etc offer its members redeemable points for every purchase made on the credit card such Ideas generate brand loyalty.





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