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Title: IMC Situation Analysis

Name of Author	Marada An
Name of University	Deakin
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INTEGRATED MARKETING COMMUNICATIONS

MKT – INTEGRATED MARKETING COMMUNICATIONS

Assessment 1 – IMC Situation Analysis

Topic: Commonwealth Bank of Australia

Student's Name: Marada AN

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Executive Summary

The Commonwealth Bank of Australia has recently been under serious criticisms from various quarters due to the exposure of various fraudulent activities for over a period of time. This paper aims to explore the impact of this fraud on the various stakeholders of the bank and provide adequate remedial measures that can be adopted to retrieve its lost fortunes. In this process, extensive use of 'Integrated Marketing Communication' (IMC) has been used, which would help the bank to get back its goodwill in the market.

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Background

The Commonwealth Bank of Australia (CBA) is one of the major Australian banks with a multinational approach (Schlagwein, Thorogood, & Willcocks, 2014)). Other than its home country, it has its business spread across USA, UK, New Zealand, and countries in Asia. It offers a variety of financial services which includes retail, fund management, post-retirement insurance, and a variety of investment and broking schemes. However, in the recent past, the bank has been under severe criticism from various avenues, primarily from the Banking Royal Commission (Banking royal commission: CBA reputation set for another battering in round three, 2018). This was a result of several fraudulent activities and scams to meet the target, for which a wide range of customers from rich to poor, all had to suffer a great deal. There have been careless and fraudulent lending of money on a large scale. The bank was reported to have lost the account details of a lot of customers (Australian bank lost data of 20m accounts, 2018). Besides, lots of fake children's accounts were reported to have been formed by the bank employees both to earn bonuses, and to meet their high targets (Ferguson, 2018).

Stakeholder Issues and Concerns

1. Internal Stakeholders

Management: In any business, ethics comes first. When those codes of conduct are transgressed, it poses a serious blow to the goodwill of the organization (Lovelock & Patterson, 2015). Given the size and influence of the Commonwealth Bank of Australia, the tarnished goodwill becomes the most important area of concern for the managers. They would also face problems in hiring new talents, as people would refuse to take up a job there.

Employees: As mentioned earlier, the employees had their own share of guilt in this issue. As such, they are presently faced with questions from legal bodies. The impending loss of revenue by the bank, would also take a toll on their salaries, with reduced chances of a hike.

2. External Stakeholders

Government: The government is an important stakeholder of the bank, as it helps in regulating the policies and procedures that needs to be followed by them. The fraudulent activities that were done by the company led to the fall of the goodwill that affected the citizens who have invested their money with the company. As such the government is bound to take legal steps against the bank.

Consumers: The existing consumers are of the fear that the money that has been kept in their accounts have been used for committing the fraud, which may result in low or no return. This has resulted in most of the consumers to withdraw their money from the bank as well.

Shareholders: The Companies which had tie-ups with the bank would communicate with the other shareholders so that they can get to know regarding the activities that are being undertaken by them. The shareholders need to have full information regarding the activities that are being done by the bank so that it can help in increasing their level of trust. Nonetheless, many of those companies or shareholders are bound to terminate business with the bank.

Suppliers: The suppliers play an important role for the company, as they helped in providing the necessary resources to them for which the bank could function in a successful manner. But now the suppliers would also refuse to make and distribute the ATM cards and mobile applications which had earlier helped the bank in gaining more number of customers.

The major concerns of the stakeholders are that the company is undertaking fraud activities that has led to the fall in its reputation. This has become a concern for the stakeholders, as they have invested their time and amount, which may lead to their fall in their goodwill as well. The use of IMC by the bank will result in communicating with the stakeholders in an efficient

manner so that proper knowledge regarding the activities of the company can be informed to them. This will help the company in gaining valuable feedbacks from the stakeholders, which will result in increasing its level of efficiency as well.

Potential utilization of Integrated Marketing Communication

The use of the IMC strategy by the CBA will help in providing complementary services so that the components that are present in the company can be communicated in a proper manner with all the major stakeholders. It will also help in providing continuity to the plan so that the elements can be consistent and connected with each other. This will result in increasing the level of efficiency of the bank as well. The use of this plan will also help CBA to be coherent in nature, as the communication plan will be connected to each other. It will provide the bank various options through which the medium to transfer information to the necessary people can be broadened as well.

The bank needs to use the Integrated Marketing Communications (IMC) plan by using the official website in a proper manner. This will help in providing more amount of information to the customers regarding the activities that are being taken up by them (Valos *et al.*, 2016). The use of the plan will also help in letting the people know the individual bodies who were involved in the fraud, and telling them that the bank, as a whole, was not involved in the scam, so that it can increase the level of trust among the customers. It will also result in improving the Corporate Social Responsibility (CSR) so that the company can help the surrounding environment by organizing medical camps and other social activities, thereby uplifting the condition of the wretched (McDonald, 2015). This can be done by increasing the activities towards the society as well such as organizing free medical check-ups so that the citizens in the society can regain its trust towards the bank.

The bank also needs to innovate its products so that it can lead to product differentiation. This needs to be communicated with the customers and the stakeholders with

the help of the IMC plan (Paul, Mittal & Srivastav, 2016). This will also help the bank in reducing its reputational damage within the society so that the customers can keep their money in the bank. It will also present an opportunity to the bank to diversify its operations in new areas as well so that commonwealth Bank of Australia can expand its business. This will also result in better rate of returns on the investments that are being undertaken by the bank.

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