Retail Management in Financial Services
## Retail Management in Financial Services (RMAN)

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<tbody>
<tr>
<td><strong>1. Title</strong></td>
<td>Retail Management in Financial Services (RMAN)</td>
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<tr>
<td><strong>2. Start date</strong></td>
<td>Valid for study sessions commencing 1 November 2011</td>
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<td><strong>3. Level of unit</strong></td>
<td>Level 4 FHEQ</td>
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<td><strong>4. Number of credits</strong></td>
<td>15</td>
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<td><strong>5. Status:</strong></td>
<td>Option module within Professional Certificate in Banking</td>
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<td><strong>6. Recommended prior units</strong></td>
<td>Financial Markets &amp; Risk (within first 60 credits)</td>
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<td><strong>7. Programmes of study to which unit contributes</strong></td>
<td>Professional Certificate in Banking</td>
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| **8. Intended subject specific learning outcomes** | There are thirteen learning outcomes, which are all covered by the syllabus. Each outcome will be measured by way of an objective test (see section 12). On completion of this unit, students will be able to:

   a) Investigate the wider role of the financial services retail environment in terms of customer demands and competition  
   b) Understand the customer and how customers buy financial services  
   c) Understand the importance of retail location and its likely impact on branch performance  
   d) Appreciate the role of store image in creating differentiation in the marketplace  
   e) Investigate the components of store design and its impact on customer behaviour  
   f) Understand the key issues in managing products to meet customer needs  
   g) Understand the selling process and the role of the sales team  
   h) Explain the elements of customer service  
   i) Understand how customer services are developed  
   j) Appreciate how services are performed, delivered and monitored  
   k) Identify the components of customer relationship management to develop and increase customer loyalty  
   l) Understand the role of corporate communication and how it is interpreted and delivered at a branch level  
   m) Appreciate the future challenges in retail banking. |
9. Intended generic learning outcomes and, as appropriate, their relationship to programme learning outcomes

On completion of this unit students will be able to demonstrate achievement of the following generic learning outcomes:

1. Ability to learn through reflection on practice and experience
2. Ability to work with complex material
3. Ability to analyse problems and identify appropriate solutions
4. Ability to work and study independently and utilise resources effectively

These intended generic learning outcomes contribute to the following programme learning outcomes: 1, 2, 4, 6.

10. Syllabus overview

This unit reflects the industry viewpoint that changes confronted by banks need to be considered within the wider context of transformation across the whole retail sector. The unit builds on the premise that customers are overwhelmed by choice and availability and modern organisations need, at the very minimum, to meet customer expectations or suffer at the hands of competition. Ideally, a service that excels beyond the basic requirements of customers is one that will build its market share and further improve its own financial performance.

The background to this unit looks at how consumers, competition and technology have led banks to change their operation and image to become more accessible and user-friendly whilst improving internal efficiencies.

Adopting the view that banks are retailers, topics such as location, customer communication and branding are discussed as key points of differentiation. The selling environment of the branch is examined in light of known retail techniques for store design and layout. It considers how design impacts on consumer behaviour, noting how some banks have undergone store refurbishment to improve performance in an image-conscious sector.

Fundamental to any service is the impact of customer interaction. This forms a significant section in the syllabus, with particular focus on the internal selling role of employees. Recruitment, selection, training and motivation of the sales team is crucial to branch performance and improving customer service to meet target sales is discussed in light of management information and performance measurement. The delivery of good and appropriate customer service through clear sales and people management and within financial targets, is seen as a key performance indicator for the branch and is therefore explored within the unit.

To help appreciate the future of the retail sector, views from authoritative figures in the financial and retail sector help to reveal likely future direction of branch operations. These views will not represent one single viewpoint but together will help students appreciate the future challenges of the retail branch network.
11. Methods of delivery

There are three approved modes of study for the module: through approved centres and by web supported learning with the option of workshops. Each student enrolled on the module will have access to the MyifsILE environment and the ifs KnowledgeBank learning resources.

Web supported learners

Web supported learners will be given access to a web tutor for each module and the ifs learning support team.

Web supported learning with workshops

Students can choose to register for two enhancement workshops delivered by ifs approved Associate Lecturer’s at appointed locations (subject to demand).

Academic centre learners

Students enrolled for the academic centre mode will be provided with the same access to the general induction and learning materials as distance learners.

Total learning hours: 150.

Learning Materials

Students will be provided with access to my ifslearning (our secure learning environment) that provides access to relevant materials and support for each module. Links to appropriate readings are available from ifs KnowledgeBank, our e-library.
12. **Assessment**

There is one summative assessment component for this unit. Students will sit a two-hour objective test.

Assessment will focus primarily on the learning outcomes associated with the cognitive skills of knowledge, understanding, analysis and application.

The test comprises 75 questions as follows:

- 50 multiple-choice questions that will test knowledge and understanding across the syllabus (1 mark each); and
- 5 case studies, each with 5 questions that will test skills of analysis and application (2 mark each).

The pass mark for this component is 60% (60 marks from the 100 marks available).

Total marks available: 100.

The grade awards are as follows:

- Distinction: 85%-100%
- Pass: 60%-84%

You may use a scientific calculator but it must not be programmable, nor have a wireless-communications capability, nor be capable of storing textual information. It must also not require a mains electricity supply. Calculators with any further functions are not allowed in the examination room.

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13. **Syllabus**

1. **Customer Needs and the Competitive Financial Services Retail Environment**

This section of the syllabus will investigate the role of financial services within the wider retail environment, considering how customers needs have changed and how competition has led to banks to use a multi-channel approach to deliver services in a retail format.

Its focus is learning outcome 1 and it covers the following issues:

- The changes in high street banking in the past 20 years and how financial services have responded through the development of different delivery channels
- Definitions of: retail banking and its role within whole bank operations; and how retailing concepts have become more applicable to financial services in a competitive environment
- Differentiation between product and service retailing concepts, and regulatory control
- Patterns of retail consumption: financial services in context of all consumer spending
2. **Customers and how they buy Financial Services**

This section of the syllabus helps students to understand the nature of financial services and how customers behave when making financial decisions. In particular, what the target segments for financial services are, and what role an individual and group play in the decision-making process. It underpins these activities with relevant theoretical behaviour from the retail sector and then applies them in context.

Its focus is learning outcome 2 and it covers the following issues:

- The financial services customer
- The nature of buying financial services
- The buying decision-making process
- Types of purchase situations and behaviours

3. **Retail Location**

This section of the syllabus considers the importance of retail location and its likely impact on pedestrian flows and therefore branch performance. Often quoted as being the most important element of retailing, students will learn about the location decision making process and the subsequent operational impact of location on the physical branch network. The role of e-banking on the property portfolio is also discussed.

Its focus is learning outcome 3 and it covers the following issues:

- Location decision at a strategic level
- The location decision-making process
- Evaluating a location based on population, accessibility, competition and costs.
- Impact of location: issues at branch level, including town centre management and role of e-banking

4. **Store Image and Store Design**

In this section of the syllabus the branch network is compared and contrasted to traditional retail formats, where store image helps to create differentiation in the marketplace. To achieve this, both the physical and non-physical components of store design are investigated and their subsequent impact on customer behaviour considered.

Its focus is learning outcomes 4 and 5 and it covers the following issues:

- Store design, image and the need for retail differentiation
- Using the senses to create store image and the desired retail environment
- Branch layout and its impact on customer flow and movement
- The store environment, including both the external and physical dimensions of the branch
- Presentation of product/service to the customer
- In-store customer communications
5. Managing Products to Meet Customer Needs

This section of the syllabus explores the differences between products and services and how services are developed to create a distinctive brand despite its intangible nature. Techniques for managing a portfolio of products (services), including an application of the product lifecycle, are explored. Within this section, students will also learn about the regulatory environment and its impact on the development of new products.

Its focus is learning outcome 6 and it covers the following issues:

- The nature of the financial services product and how to manage a range of services
- Regulation
- Branding and how the retail environment helps to deliver the brand

6. The Selling Process

This section of the syllabus looks at proactive sales techniques and the role of the sales team in creating and improving store performance. Managing the sales team, through recruitment, training, motivating and measuring performance, is seen as a critical component of the entire sales effort. In a technology-driven sector, the use of MIS to monitor and measure performance is seen as a key driver in building a profitable branch business.

Its focus is learning outcome 7 and it covers the following issues:

- The selling process
- The role of a sales team and managing sales performance
- Regulatory issues and its impact on the selling effort
- Targeting products to market segments

7. Customer Service

This section of the syllabus builds on sections 5 and 6 and explores how to deliver good customer service. It explains the elements of customer service and helps students to understand how customer services are developed. In particular, it looks at the service profit chain, balancing the needs and expectations of the customer to an appropriate level of service to deliver a profit to the business. It recognises that the delivery of a good service is critical in a competitive environment and considers how to maintain quality and consistency throughout the branch, not just with the sales team.

Its focus is learning outcomes 8, 9 and 10 and it covers the following issues:

- The nature of customer service
- Developing appropriate services to meet customer needs
- Delivering the service
- Monitoring service quality
8. Customer Relationship Management

This section of the syllabus investigates the components of customer relationship management to develop and increase customer acquisition and retention. With limited growth within many of the sectors, the role of each financial institution is to ensure it retains existing customers before focusing on attracting new ones.

Its focus is learning outcome 11 and it covers the following issues:

- The role and impact of customer relationship management
- Stages in the customer relationship management process

9. Corporate/Local Communication

This section of the syllabus looks at both the strategic and operational role of communication. Corporate communication needs to be successfully interpreted and delivered at a local level to ensure that the brand remains consistent. The role of corporate communication, including corporate social responsibility, is examined and what techniques can and should be used at a branch level to reinforce corporate values. Although branches have limited influence on local marketing activity, it is likely that greater autonomy will be allocated to branches in future to meet the needs of local customers.

Its focus is learning outcome 12 and it covers the following issues:

- Corporate communication methods
- Local communication techniques

10. The Future of Retail Banking

To appreciate some of the future challenges facing the branch network, a number of leading figures and commentators present their views on the role of existing branches and how they are likely to develop in the future. Although no single view will be highlighted, common themes that are likely to be included are indicated below.

Its focus is learning outcome 13 and it covers the following issues:

- Customer loyalty
- Retail-tainment and activity in the high street
- Customer needs for new store design, interactivity in-store and the impact of the customer in service design and delivery
- Customers and awareness of financial issues and the impact of regulation
- Financial services for life and the role of a personal service
- Growth of e-banking and the impact on the role of the local branch