

MARKETING OF INVESTMENT PRODUCTS

INDEX	PAGE NO.
Introduction to Marketing	3-27
Introduction to Financial Products	28-62
Buying Behaviour	63-86
E- Marketing	87-111

INTRODUCTION TO MARKETING

Meaning, Definition of Marketing, Marketing concept and its evolution,

Difference between Marketing and Selling, Concept of services- Difference between goods and services, Goods Service continuum, Service marketing triangle- Characteristics of services- Marketing mix elements (4 and 7 Ps) - Environmental analysis-Macro and Micro Environment

Introduction

Production of goods and services has no meaning unless the goods and services are exchanged profitably for money or money's worth. This involves the movement of goods from the manufacturers to the ultimate consumers. In bringing the producer and the consumer together, certain activities and functions are performed which is the subject matter of marketing.

The meaning of marketing has changed with the passage of time. In the modern times of large scale production and cut-throat competition, the concept of marketing has altogether changed. It has occupied wide proportions.

Meaning of Marketing

Marketing is concerned with handling and transportation of goods from the point of production to the point of consumption. In this process of carrying the goods from the place of production to the place of consumption, many hindrances have to be removed. Marketing involves the creation of three types of utilities viz,

- (A) **Place Utility:** Goods are to be taken from the place of their origin or production to the place where they are needed.
- (B) **Time Utility:** Goods are to be made available at the time when they are needed by the consumers. It means that they are to be stored and protected against the risks of fire, rain and pests etc.
- (C) **Possession Utility:** The ownership and possession of these goods are to be transferred from the producer to the ultimate consumer.

Definition of Marketing

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large – **American Marketing Association.**

Marketing is “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It

pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.” – **Philip Kotler**

Marketing is essentially involved in outward communication, in promoting the corporate goals of the company it is serving. It is the process through which companies accelerate returns by aligning all communication objectives (advertising, marketing, sales, etc.), into one department to more efficiently achieve the overall corporate goals- **Antoine Didienne**

Marketing is the umbrella term covering research, branding, PR, advertising, direct response, promotions, loyalty, demand generation, etc. - **Anne Holland**

Marketing is the art and science of persuasive communication- **Dave Kerpen**

Evolution of Concepts of Marketing

Marketing concepts relate to the philosophy a business use to identify and fulfil the needs of its customers, benefiting both the customer and the company. Same philosophy cannot result in a gain to every business, hence different businesses use different marketing concepts (also called marketing management philosophies).



- 1. The Production Concept:** The production concept is based on the approach that a company can increase supply as it decreases its costs. Moreover, the production concept highlights that a business can lower costs via mass production. A company oriented towards production believes in economies of scale (decreased production cost per unit), wherein mass production can decrease cost and maximize profits.
- 2. The Product Concept:** It assumes that greater quality, (not price and availability) influences the purchase decision of customers. Company develops a product of greater quality which usually turns out to be expensive.
- 3. The selling concept:** Focuses on making every possible sale of the product, regardless of the quality of the product or the need of the customer. It highlights that customers would buy a company’s products only if the company were to sell these products aggressively. It doesn’t include building relations with the customers.

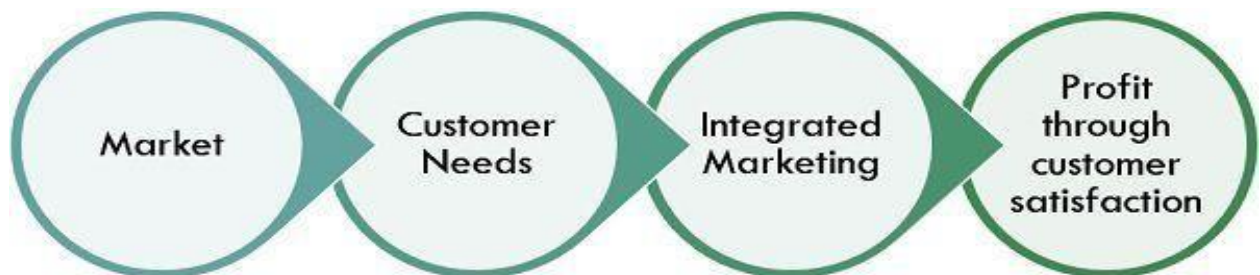
4. The Marketing Concept: The Customer is placed at the centre of the organization. The marketing concept emphasizes the “pull” strategy”. This means that a brand is so strong that customers would always prefer your brand to others’. It executes the marketing strategy according to market research beginning from product conception to sales.

5. The Societal Marketing Concept: Emphasizes the importance of well-being of customers and society as a whole (consumer welfare or societal welfare). Calls upon marketers to build social and ethical considerations into their marketing practices. The often conflicting criteria of company profits, consumer want satisfaction, and public interest is balanced.

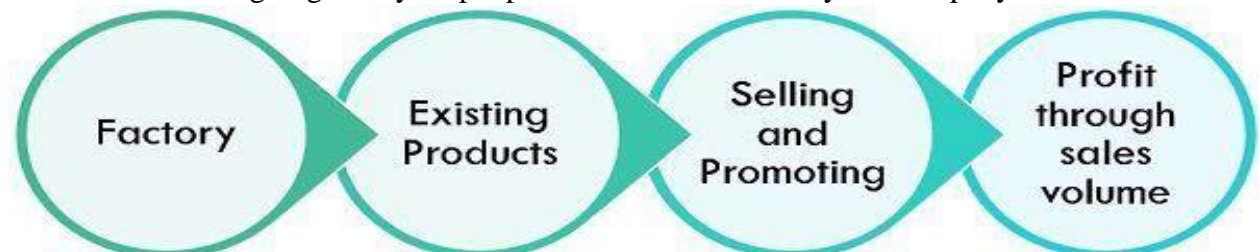
Marketing Concept and Selling Concept

The Marketing Concept is a business idea, which states that the company’s success lies in becoming more effective than the rivals, in producing, delivering and communicating greater customer value to the target market.

The central idea of marketing concept is to fulfil the needs of the customer, by means of the product. Hence, all the decision was taken by the firm keeping in mind the satisfaction of consumers.



The Selling Concept holds that if businesses and consumers are left isolated, then the consumers are not going to buy ample products manufactured by the company.



The essence of selling concept is to sell what the company produces, by convincing, coaxing, luring or persuading buyers, rather than what is desired by the customer. The concept focuses at generating profit by maximizing sales.

Selling Concept V/S Marketing Concept

Basis For Comparison	Selling Concept	Marketing Concept
Associated with	Compelling consumer's mind towards goods and services.	Directing goods and services towards consumer's mind.
Starting point	Factory	Target Market
Focuses on	Product	Customer needs
Perspective	Inside-out	Outside-in
Associated with	Compelling consumer's mind towards goods and services.	Directing goods and services towards consumer's mind.
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Concept of Services

The American Marketing Association, defines services as activities, benefits, or satisfactions that are offered for sale or provided with sale of goods to the customer, that is, pre-sale and aftersales services.

Berry states, 'while a product is an object, devise or physical thing, a service is a deed, performance, or an effort'.

We may conclude service as, "an activity or series of activities rather than things which has some element of intangibility associated with it, which involves some interaction between the customer and the service provider, and does not result in a transfer of ownership.

Goods V/S Services

BASIS FOR COMPARISON	GOODS	SERVICES

Meaning	Goods are the material items that can be seen, touched or felt and are ready for sale to the customers.	Services are amenities, facilities, benefits or help provided by other people
Nature	Tangible	Intangible
Transfer of ownership	Yes	No
Evaluation	Very simple and easy	Complicated
Return	Goods can be returned.	Services cannot be returned back once they are provided.
Separable	Yes, goods can be separated from the seller.	No, services cannot be separated from the service provider.
Variability	Identical	Diversified
Storage	Goods can be stored for use in future or multiple use.	Services cannot be stored.
Production and Consumption	There is a time lag between production and consumption of goods.	Production and Consumption of services occurs simultaneously.

Features of Services

1. Intangible nature: Services are intangible or invisible. One cannot see, feel, taste or smell it.

A business marketing service is actually selling an idea and not a product. In promoting sales the business will face the following problems:

1. Demonstration or display cannot be done.
2. No samples can be given.
3. No containers can be shown to the buyers.

The intangible nature of service brings the following advantages also for the marketers:

1. There is no need for a warehouse as there is nothing to store.

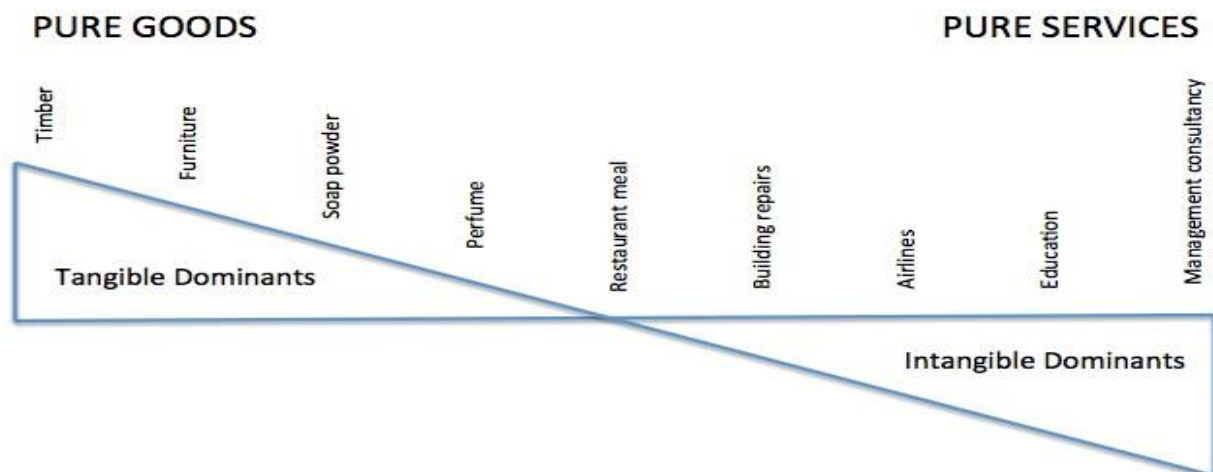
2. Transportation costs are totally avoided.
 3. There is no problem of unsold stock.
 4. There is no loss on account of pilferage, deterioration in quality, evaporation and so on.
- 2. Simultaneous production and distribution:** In the case of marketing of goods, production and distribution need not be done at the same time. But in the marketing of most services, both production and distribution will have to be done simultaneously. Provision of electricity offers a good example. In the case of banking, insurance, educational and legal services too, there is nothing that can be physically stored now and delivered later. As a result, there is no need for a long chain of middlemen comprising the wholesalers, retailers and so on in the marketing of services. In certain cases, agents are employed to procure clients for the business, e.g., Insurance.
- 3. Loss due to lack of sales cannot be recovered:** A product that is not sold today can be sold tomorrow. This is not possible in the case of service marketing. For example, if 25 seats are empty in cinema hall for a show, the resulting loss of revenue is a loss for ever. Loss on account of empty seats in a bus, train or plane cannot be made good. Similarly, electricity once produced has to be distributed at once. If not, it becomes a waste.
- 4. Fluctuating demand:** The demand for services, in most cases, is of fluctuating nature. For example, telephone service is active during day time compared to night hours. The number of people using the telephone during night hours is much less. It is for this reason that the telephone department is coming out with certain concessions for using the STD or ISD facilities during night hours. Likewise, although we have 24-hours hospital service, 24-hours banking and so on, the number of clients is not much during night time. People visiting hill stations prefer summer season to any other season. As a result, most of the lodges and travel organizations doing business in hilly regions will have to go without many clients during off-season.
- 5. Lack of uniform performance standards:** The quality of service varies not only between business units in the same industry but also between one transactions to another. The basic reason for the variation in quality is the involvement of the human factor. For example, it may take 10 minutes for a client to get things done in a bank. It may take half an hour or so for another customer for a similar transaction.
- 6. Irrelevance of certain marketing functions/activities:** Some of the marketing functions/activities, which are very much relevant in the marketing of tangible goods, are irrelevant in service marketing. These include transportation, grading, standardization, storage, inventory control, branding, packing, labelling and so on.
- 7. Direct distribution:** The marketers of most services resort to direct distribution. The wholesalers, retailers and dealers, who are normally seen in product marketing, are absent in service marketing. In certain cases, the service marketer may rely on agents, e.g., Insurance business.
- 8. Heterogeneous nature of service:** Two or more units of a product are similar and give the same satisfaction to the buyer. But it is not so in the case of service. For example, a

client may be praising a doctor while another person may be cursing him. A surgery might have been successfully done today. An identical surgery to be done a few days later may prove to be a failure. The heterogeneous nature of service brings certain advantages also for the marketer. It provides greater flexibility for the marketer in performing his task, For example, the marketer can ascertain the individual needs of the client and try to offer the service in a manner suitable to his tastes and preferences.

9. **Personal relationship between the service provider and the client:** There is no personal relationship between a seller of goods and the buyer. It is not so in most of the cases of service marketing. For example, a patient has to take the doctor into confidence and abide by the advice of the latter. It is true in the case of a lawyer-client relationship also.
10. **Skill orientation:** A product is bought more for its utility value than for the skill of the marketer to sell. In the case of service marketing, it is the skill of the service provider which determines the fate of the business. The efficiency of the individuals plays a crucial role in service marketing. The quality of the product is the main deciding factor in product marketing.

Goods and Services Continuum

Essentially all product offerings in the marketplace are a mix of services and goods – that is, intangible and tangible elements.



What the tangibility-intangibility continuum tells us

- Virtually all industries have a product offering that is a mix of both tangible and intangible elements
- Some firms/industries tend to have a greater extent of intangible (that is, service) components in their overall offerings
- There is a difference between being a service provider and selling a physical/tangible product that is packaged with customer service.

Industry/Product	Tangible or Intangible?
Can of food	Tangible
Car	Tangible
Pre-made meal	Tangible
Fast food	Mixed
Formal restaurant	Mixed
Airline	Intangible
Movies	Intangible
Hotel	Intangible
Education/Consulting	Intangible

Services Marketing Triangle

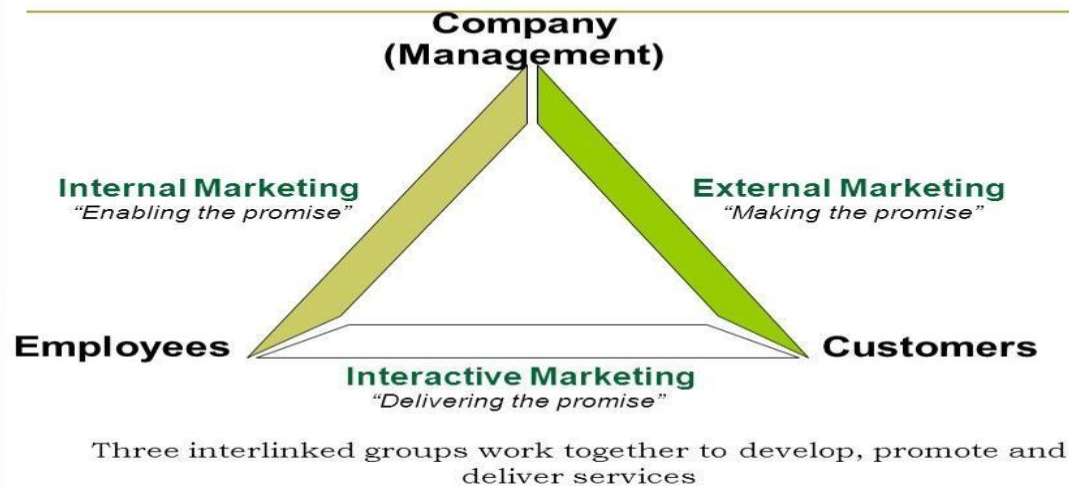
The Services Marketing Triangle (or Services Triangle) shows the key actors involved in marketing a service business. It also shows the key marketing activities that occur between those actors.

We define services using these criteria:

- Intangible
- Inseparable
- Perishable
- Heterogeneous

Services businesses are marketed on promises. These are the promises we make to customers and whether we keep or fail to keep those promises.

The Services Marketing Triangle



Actors in the Service Marketing Triangle

1. **Company:** Refers to the leadership team of the company in question.
2. **Employees:** Refers to all employees, including subcontractors who deliver the company's service.
3. **Customers:** Refers to all customers and potential customers of the company.

The lines between the points show the **different types of marketing** that must occur:

1. **External Marketing:** Occurs between the company and its customers.
2. **Internal Marketing:** Occurs between the company and its employees.
3. **Interactive Marketing:** Occurs between the employees and the customers.

1. External Marketing: Companies use external marketing to make promises to customers. External marketing is any communication to customers (or potential customers) that happens before service delivery starts. Forms of external marketing include: Advertising, Personal selling, Public relations (PR) direct marketing

2. Internal Marketing: Within a services business, employees are viewed as internal customers. They are a market which must be pleased first as a company. Internal marketing involves motivating employees to work as a team to make customers satisfied. Key components of internal marketing include: Motivating employees, Teaching customer

satisfaction techniques, Communicating company goals regularly, Management of change, Training staff on how to use the company's services, Good pay and working conditions

3. Interactive Marketing: Interactive marketing occurs when employees and customers interact. It is here where the promises made during external marketing are either kept or broken by employees or sub-contractors. Each significant interaction between an employee and a customer is known as a service encounter. Interactive marketing is important because it establishes both short-term and long-term satisfaction. That is, if the customer is satisfied with the service they received in the short-term, they are more likely to be satisfied over the longer term.

Marketing mix

The marketing mix is a key foundation on which most modern marketing strategies and business activities are based.

Philip Kotler defined the “Marketing Mix” as the set of controllable variables a firm can use to influence buyer response.

Therefore, the marketing mix indicates the appropriate combination of four P's—product, price, promotion, and place—for achieving marketing objectives. The components are also known as marketing mix variables or controllable variables as they can be used according to business requirements.

In 1960, E. Jerome McCarthy in his book, *Basic Marketing*, popularized a four-factor classification, the so-called four P's—product, price, place, and promotion.

Evolution of Marketing Mix Concept

The concept of the ‘Marketing Mix’ came about in the 1960s when Neil H. Borden, professor and academic, elaborated on James Culliton's concept of the marketing mix. Culliton described business executives as ‘mixers of ingredients’: the ingredients being different marketing concepts, aspects, and procedures.

However, it's now widely accepted that Jerome McCarthy founded the concept. After all, it was McCarthy who offered the marketing mix as we know it today; in the form of ‘The 4Ps of Marketing’: Product, Place, Price, & Promotion.

The Extended Marketing Mix

The 4Ps paved the way for two modern academics, Booms and Bitner, who, in 1981, brought us the extended version of the marketing mix: the ‘7Ps’.

The 7Ps comprise McCarthy's 4 original elements, and extend to include a further 3 factors: Physical Evidence, People, & Processes

As the requirements of customers, markets and products rapidly fluctuate, it's essential to consistently revisit the 7P formula. That is... if you want to get ahead of your competitors and thrive!



Is there an 8th P?

In some spheres of thinking, there are 8 Ps in the Marketing Mix.

The final P is Productivity and Quality. This came from the old Services Marketing Mix and is folded in to the Extended Marketing Mix by some marketers. The 8th P of Services Marketing has emerged in research. In integral services management, improving productivity is a requisite in cost management; but quality, as defined by the customer, is essential for a service to differentiate itself from other providers.

Maggi Marketing Mix (4Ps) Strategy

Maggi Product Strategy: Maggi is leading food brand under the umbrella of Nestle. Maggi has a wide variety of products and has a different range for each country. Its products are majorly categorized into Maggi instant noodles, Maggi soups, sauces, seasonings and bouillons.

Maggi Price/Pricing Strategy: Maggi uses a cost based pricing strategy to tap in to various markets in the world. The competitive prices are compensated with high volumes of the products. This shows that competition and cost are the two major factors in the marketing mix pricing strategy of Maggi. Because of rising prices in various countries Maggi has smartly started reducing the quantity to keep the prices unchanged. As Maggi is trying to tap into all segments of income category it keeps differential prices in depending locations and across countries. Also its offerings are available in wide variety of packages so that people can buy according to their needs.

Maggi Place & Distribution Strategy: Maggi products are widely available due to the strong presence of Nestle. The distribution strategy followed by Nestlé is Producers to Distributors to Wholesalers to Retailers to Consumers. This is because it is consumed in a lot of volumes and generally in small quantities. Due to its so deep reach even into rural areas and small towns, it has gained it the top position.

Maggi Promotion & Advertising Strategy: Maggi has used advertising as its main promotional strategy to create awareness and for brand recall. Initially it focused on kids and

working women who have very less time to prepare food. The advertisements mainly flashed on kids channels with effective tag lines of “Bas 2-minute” and the jingle “Maggi Maggi Maggi”. On its 25th anniversary it launched the voice over campaign to create a nostalgic feeling among the customers about their journey with Maggi. It has also used the “Miss you Maggi” ad campaign to regain back the lost customers after the Maggi ban in India.

Elements of Marketing Mix

1. PRODUCT

A product is an item that satisfies a need or a desire. This can be a physical item, a service or a virtual offering. It is produced at a cost and is subsequently made available to the right audience at a price. Whatever the nature of the product, it will follow a lifecycle and through reasonable predictions of this lifecycle, a company can increase its competitive edge. A brand can be revamped or re-launched to remain relevant in a changing market or at the end of its lifecycle.

Features and Value creation: Every product should have certain characteristics that separate it from its competitors. These characteristics should be foremost inputs to the product’s marketing mix. When a product is envisioned, it is an answer to an identified market need. This need is translated into a product with particular characteristics. These characteristics help determine all subsequent actions such as pricing, communication strategy and additional features or add-ons. For this reason, it is vital to try to create a unique set of characteristics for any product.

Product classification: All products can be broadly classified into **3 main categories**. These are:

Tangible products, Intangible products, Services:

Both tangible and intangible goods and services can be **further defined and divided into** the following groups:

Consumer Goods – Items that are used directly by the end user such as food, clothing, cars, etc. **Consumer Services** – Services that are for the benefit of end users directly such as education, courier services, grooming services, etc.

Producer Goods – Items that act as part of another company’s operations such as machinery or parts.

Producer Services – Services that support another company’s operations such as accounting, human resource, etc.

Understanding and Creating Benefits

Given the importance of product in the marketing mix, it is good practice to understand who is the target group, what are the benefits of an offer, how is this product to be positioned in the market, and what will the USP be?

Philip Kotler proposed one way of understanding product benefits in his popular academic work “Principles of Marketing.” He says that a product can be looked at three different levels.

- **Core** - Main benefit

- **Actual** - Additional benefits
- **Augmented** - Further benefits

Product decisions

With an understanding of the basic product mix and benefits, a company can now begin to make important product decisions. These include:

- **Design Decisions**
- **Quality Decisions**
- **Features Decisions**
- **Branding Decisions**

Product development

Product development is the creation of a new or different product that offers innovative new benefits to the end user. This includes both the creation of an entirely new product and modifications to an existing product. These changes or new introductions may be targeting a newly defined customer requirement or a niche category in the market.

Product development traditionally includes the following steps:

- Generate Ideas
- Screen Ideas
- Develop and Test Ideas
- Analyse for Profitability Potential
- Conduct market Tests

- Finalize Technical Aspects
- Finalize Commercial Aspects
- Conduct Post Launch Review

Product Life Cycle: An important consideration for any product is the logical stages of its lifecycle. A typical product goes through the following stages:

Introduction – Slow growth period following product launch

Growth – Fast growth phase once the product is established

Maturity – A period of slowdown in sales as the product becomes ubiquitous in the market

Decline – A downward sales as the product is no longer fulfilling a need or there are better options.

A keen eye needs to be kept on the product's journey through the lifecycle. A close to reality prediction of this path may help the company relaunch or redesign an existing product or work on introducing a new one to the market.

2. PRICE

Simplistically, price is the value measured in money term in the part of the transaction between two parties where the buyer has to give something up (the price) to gain something

offered by the other party or the seller. After product, pricing plays a key role in the marketing mix. The reason for this importance is that where the rest of the elements of the marketing mix are cost generators, price is a source of income and profits. Through pricing, the organization manages to support the cost of production, the cost of distribution, and the cost of promotion.

Why is pricing important?

There is often a tendency for marketers to focus more on activities like promotion, product development, and market research while prioritizing their responsibilities.

These are often perceived as the more interesting aspects of the product and marketing mix. However, pricing needs to be given its due attention since it has great impact on the rest of the activities and the company.

Pricing is of vital importance because of the following reasons.

Pricing as a Flexible Variable: Pricing changes can be made quickly and with almost no lead time if the business needs to make some product positioning changes or to counter a competitor's activities. Though it is important to plan for pricing changes and their impact on the brand and product perception, this can still be accomplished much faster than any other changes.

Define the Right Pricing: A price below the perceived value can lead to both a loss in potential additional revenue and a target audience that judges the quality of the brand through price points. If this price is raised later on, the existing customers may feel like they are being unfairly burdened. A price set too high can result in potential buyers staying away altogether.

Pricing as a Trigger for First impressions: In some product categories, a consumer will form a perception about its quality and relevance as soon as they see the price. Eventually, the decision to buy or not may be based on the perceived value of the entire product or marketing mix offering.

Pricing as a Key to Sales Promotions: Sales promotions are often a short time price based offering such as a percentage reduction or a two in one type offer. These are meant to generate interest in the product or make use of a special occasion or event.

Before any pricing decisions are made, a company must establish what it means to achieve through pricing. Often, these objectives include:

- 1. Profit Maximization:** Keeping in mind revenue and costs, a company may want to maximize profits. Profit maximization objectives should be long term and not focus only on the short term.
- 2. Revenue Maximization:** With less focus on profits, a company may focus on increasing revenues in order to increase market share and lower costs in the long term.
- 3. Maximize Quantity:** A company may want to sell a specific number of items to decrease long term costs.
- 4. Maximize Profit Margin:** Another objective may be to increase the profit margin for each unit and not focus on the total number of units sold.

5. **Quality Leader:** A company may want to use price to signal high quality and establish itself as the quality leader.
6. **Partial Cost Recovery:** If an organization has multiple revenue streams, it may not be too focused on recovering a hundred percent of its costs.
7. **Survival:** Sometimes, the best a company may want to do is to cover costs and to remain in the market. If the market is in decline or there are too many competitors, survival may take temporary priority over profit.
8. **Status Quo:** There may be a need to avoid price wars with competitors. So a company may maintain a stable price to continue a stable profit level.

Types of Pricing Strategies

Penetration Pricing: Here the organization sets a low price to increase sales and market share. Once market share has been captured the firm may well then increase their price.

Skimming Pricing: The organization sets an initial high price and then slowly lowers the price to make the product available to a wider market. The objective is to skim profits of the market layer by layer.

Competition Pricing: Setting a price in comparison with competitors. In reality a firm has three options and these are to price lower, price the same or price higher than competitors.

Product Line Pricing: Pricing different products within the same product range at different price points.

Bundle Pricing: The organization bundles a group of products at a reduced price. Common methods are buy one and get one free promotions

Premium Pricing: The price is set high to indicate that the product is "exclusive"

Psychological Pricing: The seller here will consider the psychology of price and the positioning of price within the market place.

Cost Plus Pricing: The price of the product is production costs plus a set amount ("mark up") based on how much profit (return) that the company wants to make. Although this method ensures the price covers production costs it does not take consumer demand or competitive pricing into account which could place the company at a competitive disadvantage.

Cost Based Pricing: This is similar to cost plus pricing in that it takes costs into account but it will consider other factors such as market conditions when setting prices.

Value Based Pricing: This pricing strategy considers the value of the product to consumers rather than the how much it cost to produce it. Value is based on the benefits it provides to the consumer e.g. convenience, well-being, reputation or joy.

3. PLACE

The marketing mix place strategy is about how an organisation will distribute their product or service to the end user. The organisation must distribute the product to the user at the right place at the right time. Efficient and effective distribution is important if the organisation is to meet its overall marketing objectives. If an organisation underestimates demand, profitability will be affected.

What Marketing Mix Distribution Channel Can Firms Use?

There are two channels of distribution available to firms. Direct distribution and indirect distribution

Indirect Distribution: Indirect distribution involves distributing your product by the use of an intermediary for example a manufacturer selling to a wholesaler and then on to the retailer.

Direct Distribution: Direct distribution involves distributing direct from the manufacturer to the consumer For example Dell Computers providing directly to its target customers. The advantage of direct distribution is that it gives a manufacturer complete control over their product

Place and Distribution Intermediaries Defined

Manufacturer: Person, group or firm that makes the product.

Wholesaler: The party that buys large quantities of a product from manufacturers and sells it to retailers. Wholesalers sell goods to other businesses; they do not sell directly to consumers.

Retailers: The organisation that sells products directly to consumers and end users. As they are selling to consumers for personal use, the goods are usually sold in small quantities.

Place and Distribution Strategies

The three most common distribution strategies are discussed below

Intensive Distribution: Used commonly to distribute low priced products or impulse purchases. For example snacks such as chocolates, soft drinks and crisps

Exclusive distribution: Involves limiting distribution to a single outlet. The product is usually highly priced, and requires the intermediary to place much detail in its sell. An example of would be the sale of vehicles through exclusive dealers.

Selective Distribution: A small number of retail outlets are chosen to distribute the product. Selective distribution is common with products such as computers, televisions household appliances, where consumers are willing to shop around and where manufacturers want a large geographical spread.

If a manufacturer decides to adopt an exclusive or selective distribution strategy they should select reputable intermediaries, experienced in distributing similar products and an intermediary known to the target audience.

4. PROMOTION

Marketing Mix Place and Distribution strategy is about how effectively a firm gets its product to consumers and end users. Firms can sell their products directly to the consumer (direct distribution) or through intermediaries (indirect distributions).

The best marketing mix place method will depend on the product needing to be distributed and the "wants and needs" of the firm's customers.

A successful product or service means nothing unless the benefit of such a service can be communicated clearly to the target market.

An organization's promotional mix strategy can consist of many things.

Advertising, Public Relations, Sales Promotion, Personal Selling, Direct Mail (post and e-mail), Internet Marketing, Social Media, Sponsorship

Advertising: Communication through mass media, the firm will usually pay for this type of communication.

Public Relations: Developing a positive relationship between the organisation and the media and the public. Good public relationships involves not only creating favourable publicity through the media but also involves minimizing the impact of negative situations.

Sales Promotion: Promotions designed to create a short term increase in sales. Examples of sales promotion include money off coupons, discount codes and "flash sales".

Personal Selling: Sales interaction between the firm's representative and a consumer on a one to one basis.

Direct Mail (post and e-mail): This involves sending marketing to a named individual or organisation. Firms often buy lists of names, e-mails and postal addresses for this purpose. This can be highly effective when the direct mail recipients are within the firm's target market.

Internet Marketing: Placing adverts on internet pages through programmes such as Google's AdWords.

Social Media: Firms place daily messages on social media such as Facebook and Twitter to keep customers interested in their organisation. They may even run promotions, flash sales and discounts just for their social media readers.

Sponsorship: An organisation or event is paid to use your branding and logos. Sponsorship is commonly used in sporting events; player's clothing and stadiums will be covered in the firm's branding and even the tournament may be named after the firm. Although effective sponsorship requires a large audience you may get smaller firms interested in local business sponsoring small events in their area e.g. school fairs.

Message Strategy - What Message Will The Promotion Conveying?

Firms need to carefully consider the message that their promotion strategy will be conveying to their target audience. What message will promotion activity send to the target audience and how will it impact on the firm's reputation? The promotion's message should reinforce product benefits and help the firm to develop a positioning strategy for their products.

Media Strategy and How Promotion Will Help Deliver the Message

Media strategy refers to how the organisation is going to deliver its message. What aspects of the promotional mix will the company use to implement their media strategy? Where will they promote it?

Clearly the company must take into account the readership and general behaviour of their target audience before they select their media strategy. What newspapers do their target market read? What TV programmes do they watch?

Amazon is a good example of an organisation that uses a varied promotional mix, which includes, TV, online and print. Amazons media strategy reflects the diversity of their customers.

Promotion through the Product Life Cycle

As products move through the four stages of the product life cycle different promotional strategies should be employed at these stages to ensure the healthy success and life of the product.

- Introduction
- Growth
- Maturity
- Decline

Promotion strategies that can be employed at each stage of the Product Life Cycle are as follows:

Introduction: When a product is new the organization's objective will be to inform the target audience of its entry. Television, radio, magazine, coupons etc. may be used to push the product through the introduction stage of the life cycle. Push and Pull Strategies will be used at this crucial stage.

Growth: As the product becomes accepted by the target market (at this stage of the life cycle) the organization will employ strategy to increase brand awareness and customer loyalty.

Maturity: At this stage of the life cycle the product will be experiencing increased competition and will need persuasive tactics to encourage consumers to choose their product over their rivals. Any differential advantage/benefit will be need to be clearly communicated to the target audience.

Decline: As the product reaches the decline stage of its life cycle, all the organization can do is use strategy to remind consumers about the product in a bid to slow the inevitable.

The 7Ps Model

This model has gained significant traction over the years as services and their marketing is increasingly being given due importance as an independent field of study. This model, proposed by Booms and Bitner in 1981, extends the marketing mix by 3 new Ps that directly relate to the service provision industry. These are **people**, **physical evidence** and **process**.

The traditional marketing mix was designed and gained popularity in an era where most businesses sold products. Any service provision and the role of good customer service was largely ignored and the potential impact on brand development and the user experience was not understood. This was remedied when Booms and Bitner proposed their extension to create the services marketing mix that we see today.

The extended model should now be used to create competitive strategies in a more holistic manner.

5. People: This is a vitally important element of the service marketing mix. When a service is being delivered, the person delivering it is not unique from the service itself. When dining at a restaurant, if a rude waiter is encountered, the entire experience will be labelled as bad service. This is why many businesses invest in defining the right kind of person to fill their service role and then making efforts to find or train people to fit this definition.

6. Process: Since service provision needs to strike a balance between customization and standardization, the processes involved in the activity require special mention and attention. A process needs to be clearly defined for the service provider. This basic process should ensure the same level of service delivery to every customer, at any time of day, on any day. Within this process, there should be defined areas where a customer preference can be accommodated to provide a unique experience.

7. Physical Evidence: The location of the service delivery also takes on significance. The level of comfort and attractiveness of a service location may make a lot of difference to the user experience. A calm and soothing environment with thoughtful comfort measures may provide a sense of security to a new customer which will make them return.

Business Environment

Business Environment means a collection of all individuals, entities and other factors, which may or may not be under the control of the organization, but can affect its performance, profitability, growth and even survival. Every business organization operates in a distinctive environment, as it cannot exist in isolation. Such an environment influence business and also gets affected by its activities.

Features of Business Environment

Dynamic: The environment in which the business operates changes continuously because there is a wide variety of factors that exist in the environment, causing it to change its shape and character.

Complex: There are many forces, events and conditions that constitute business environment, arising from various sources. So, it is a bit difficult to understand the relative influence of a particular factor, on the operation of the organization.

Uncertain: Uncertainty is an inherent characteristic of the business environment because no one can predict what is going to happen in future.

Multi-faceted: A single change in the business environment, can be viewed differently by different observers because their perceptions vary.

Far-reaching Impact: The survival, growth and profitability, of a business enterprise, depends largely on the environment in which it exists. A small change in the environment has a far-reaching impact on the organization in different ways.

Relative: The notion of a business environment is relative since it varies from one location to another

Components of Business Environment

The Business Environment is broadly classified, into two categories – Internal and External

All business enterprises, functions within an environment, called as the business environment. An individual business firm survives and grows within the periphery of its environment. A firm is only a part of a big environment, and so there are only a few factors which are under the control of the firm. So, the firm has no other option, but to respond and adapt accordingly. If business persons possess a good understanding of the business environment, they can easily recognize, analyse and react to the forces that affect the firm.

Internal Environment

Internal environment is a component of the business environment, which is composed of various elements present inside the organization, which can affect or can be affected with, the choices, activities and decisions of the organization.

In other words, the internal environment refers to the **culture, members, events and factors** within an organization that has the ability to influence the decisions of the organization, especially the behaviour of its human resource. Here, members refer to all those people which are directly or indirectly related to the organization such as owner, shareholders, managing director and board of directors, employees, and so forth.

Value System: Value system consists of all those components that are a part of regulatory frameworks, such as culture, climate, work processes, management practices and norms of the organization. The employees should perform the activities within the purview of this framework.

Vision, Mission and Objectives: The Company's vision describes its future position, mission defines the company's business and the reason for its existence and objectives implies the ultimate aim of the company and the ways to reach those ends.

Organizational Structure: The structure of the organization determines the way in which activities are directed in the organization so as to reach the ultimate goal. These activities include the delegation of the task, coordination, the composition of the board of directors, level of professionalization, and supervision.

Corporate Culture: Corporate culture or otherwise called an organizational culture refers to the values, beliefs and behaviour of the organization that ascertains the way in which employees and management communicate and manage the external affairs.

Human Resources: Human resource is the most valuable asset of the organization, as the success or failure of an organization highly depends on the human resources of the organization.

Physical Resources and Technological Capabilities: Physical resources refers to the tangible assets of the organization that play an important role in ascertaining the competitive capability of the company. Further, technological capabilities imply the technical know-how of the organization.

External Environment

The External Environment of Business is classified as Micro and Macro Environment.

Micro Environment: The immediate periphery of the business that has a continuous and direct impact on it is called Micro Environment.

The micro environment of the organization consists of those elements which are controllable by the management. Normally the micro environment does not affect all the companies in an industry in the same way, because the size, capacity, capability and strategies are different.

For example, the raw material suppliers are giving more concessions to large sized companies. However, they may not give the same concessions to small companies. Like the same, the competitors do not mind about the rival company if it is compared to the small, but he will be very much conscious if the rival him is large.

- 1. Competitors:** The competitive environment consists of certain basic things which every firm has to take note of. No company, howsoever large it may be, enjoys monopoly. In the original business world a company encounters various forms of competition. The most common competition which a company's product now faces is from differentiated products of other companies.
- 2. Customers:** According to Peter. F. Drucker, "There is only one valid definition of business purpose that is to create a customer." The business enterprises aim to earn profit through serving the customer demand. It now thinks more in terms of profitable sale rather than more sales volume for its sake. Today marketing of a firm begins and also ends with the customers.
- 3. Suppliers:** Regarding the suppliers, the organisation can think of availing the required material or labour according to its manufacturing programme. It can adopt such a purchase policy which gives bargaining power to the organisation. According to Michael Porter, "the relationship between suppliers and the firm epitomizes a power equation between them.
- 4. Public:** Literally word 'public' refers to people in general. According to Philip Kotler, "A public is any group that has an actual or potential interest in or impact on a company's ability to achieve its objectives." The environmentalists, consumer protection groups, media persons and local people are some of the well-known examples of publics.
- 5. Marketing Intermediaries:** Market intermediaries are either individuals or business houses who come to the aid of the company in promoting, selling and distributing the goods

to the ultimate consumers. They are Middlemen (wholesalers, retailers and agents), distributing agencies, market service agencies and financial institutions.

6. Workers and Their Union: As per the production function theory, the labour gets more importance. The organised labours is highly secured their position compare to unorganised workers. So, the workers now prefer to join labour unions which invariably resort to collective bargaining and thereby makes them less vulnerable to employer's exploitation.

Macro Environment

Macro Environment, is one such environment that influences the functioning and performance of every business organization, in general.

A **PESTEL analysis** is an acronym for a tool used to identify the **macro (external) forces** facing an organisation. The letters stand for Political, Economic, Social, Technological, Environmental and Legal. Depending on the organisation, it can be reduced to PEST or some areas can be added (e.g. Ethical). In marketing, before any kind of strategy or tactical plan can be implemented, it is fundamental to conduct a situational analysis. And the PESTEL forms part of that and should be repeated at regular stages (6 monthly minimum) to identify changes in the macro-environment.

Organizations that successfully monitor and respond to changes in the macro-environment are able to differentiate from the competition and create a competitive advantage.

Political Factors: These determine the extent to which government and government policy may impact on an organisation or a specific industry. This would include political policy and stability as well as trade, fiscal and taxation policies too.

Economic Factors: These factors impact on the economy and its performance, which in turn directly impacts on the organisation and its profitability. Factors include interest rates, employment or unemployment rates, raw material costs and foreign exchange rates.

Social Factors: These factors focus on the social environment and identify emerging trends. This helps a marketer to further understand their customers' needs and wants. Factors include changing family demographics, education levels, cultural trends, attitude changes and changes in lifestyles.

Technological Factors: These factors consider the rate of technological innovation and development that could affect a market or industry. Factors could include changes in digital or mobile technology, automation, research and development. There is often a tendency to focus on developments only in digital technology, but consideration must also be given to new methods of distribution, manufacturing and also logistics.

Environmental Factors: These factors relate to the influence of the surrounding environment and the impact of ecological aspects. With the rise in importance of CSR (Corporate

Sustainability Responsibility), this element is becoming more important. Factors include climate, recycling procedures, carbon footprint, waste disposal and sustainability

Legal Factors: An organisation must understand what is legal and allowed within the territories they operate in. They also must be aware of any change in legislation and the impact this may have on business operations. Factors include employment legislation, consumer law, health and safety, international as well as trade regulation and restrictions.

A **PESTEL analysis** helps an organisation identify the external forces that could impact their market and analyse how they could directly impact their business. It's important when undertaking such an analysis that the factors affecting the organisation are not just identified but are also assessed – for example, what impact might they have on the organisation? The outcomes of a PESTEL analysis can then be used to populate the opportunities and threats in a **SWOT analysis**.

INTRODUCTION TO FINANCIAL PRODUCTS

Introduction to Financial Products- Financial service products meaning and Features, Investment related products- concepts and features classification.

Marketing fundamentals - Market segmentation, Distribution channels pricing, Decision factors affecting pricing-pricing policies, Role of regulators in pricing-structure and Marketing of financial products based on client requirements.

CRM - Importance of CRM in Marketing of Financial Services-CRM and Relationship, Marketing-CRM, Concept-CRM implementation and evaluation.

What is a Financial Product?

A financial product is an instrument in which a person can
either: make a financial investment (for example, a share);
 borrow money (for example, credit cards, loans or bonds);
or
 save money (for example, term deposits).

Financial products are issued by banks, financial institutions, governments or companies. Financial products refer to instruments that help you save, invest, get insurance or get a mortgage. These are issued by various banks, financial institutions, stock brokerages, insurance providers, credit card agencies and government sponsored entities. Financial products are categorized in terms of their type or underlying asset class, volatility, risk and return.

Context

A financial product is a product (typically in the form of a contract) provided to consumers and businesses or other organizations (municipalities or sovereigns) by financial institutions such as banks, insurance companies, brokerage firms, consumer finance companies, and investment companies all of which comprise the financial services industry.

A financial product (also a "financial instrument" or "financial service") is most commonly a contractual agreement between two counterparties, one of which is in the financial services business, that establishes an ongoing monetary relationship for a period of time, along with possible ancillary services that facilitate this relationship.

The contractual agreement is typically summarized in a Terms Sheet and may have extensive legal provisions. The agreement will typically specify the exchange of monetary value at various points during the lifetime of the product. These exchanges potentially depend on the realization (or not) of specified events. Financial products are characterized by the fact that there are no real assets or services exchanged, even though there may well be reference to such assets (e.g. in a Mortgage, derivatives or insurance contract).

Characteristics and Features of Financial Services:

Financial services are the economic services provided by the finance industry, which encompasses a broad range of organizations that manage money, banks, insurance companies, finance companies, investment funds etc. and some government sponsored enterprises.

Intangibility: The basic characteristics of financial services are that they are intangible in nature. For financial services to be successfully created and marketed, the institutions providing them must have a good image and the confidence of its clients. Quality and Innovativeness of services are the focal points for building credibility and, gaining the trust of the clients.

Customer Orientation: The institutions providing financial services study the needs of the customers in detail. Based on the results of the study, they come out with innovative financial strategies that give due regard to costs, liquidity, and maturity considerations for various financial products. This way, financial services are customer-oriented.

Inseparability: The functions of producing and supplying financial services have to be carried out simultaneously.

Perish-ability: Financial services have to be created and delivered to the target clients. They cannot be stored. They have to be supplied according to the requirements of customers. Hence, it is imperative that the providers of financial services ensure a match between demand and supply.

Dynamism: The financial services must be dynamic. They have to be constantly defined and refined. On the basis of socio-economic changes occurring-in the economy, such as disposable income, standard of living, level of education, etc., financial services institutions must be proactive in nature and evolve new services by visualizing the expectations of the market.

Investment related products

An investment product is a product offered to investors based on an underlying security or group of securities that is purchased with the expectation of earning a favourable return. Investment products are based on a wide range of underlying securities and encompass a broad range of investment objectives.

Understanding Investment Products

Investment product is the umbrella term for all the stocks, bonds, options, derivatives and other financial instruments that people put money into in hopes of earning profits. The types of investment products available for individual and institutional investors can differ significantly but the basic profit motive is behind all of them. A wide range of investment products exist within the investment universe to help investors meet short-term and long-term investment goals. Overall, investors purchase investment products for their capital appreciation potential and income paying distributions.

Capital appreciation and income distribution are two standard classifications for investment products. Some investment products are purchased by an investor primarily for their potential to increase or appreciate in value over time given specified growth factors. Other investment products may have an additional income paying component. Fixed income investments such as bonds and commingled bond funds offer investors the opportunity to purchase an asset that may increase in value while also paying out fixed interest payments or capital distributions. Other income paying investment products include dividend-paying equities, real estate investment trusts and master limited partnerships. Modern portfolio theory suggests that an investor have a diversified portfolio of investments including a variety of investment products to obtain an optimal risk-return reward for their investments.

Investment Product Examples

Within the investment market, investment products can be structured in various ways. Thus, investors have a wide variety of options in addition to buying an investment product focused on the movement of a single security. Structured investment products can include mutual funds, exchange traded funds, money market funds, annuities and more. In the U.S. and globally, investment products are highly regulated requiring substantial documentation to provide investors with a detailed understanding of investment products for which they may choose to invest.

Stocks

Stocks may be the most well-known and simple type of investment. When you buy stock, you're buying an ownership share in a publicly traded company. Many of the biggest companies in the country — think General Motors, Apple and Facebook — are publicly traded, meaning you can buy stock in them.

When you buy a stock, you're hoping that the price will go up so you can then sell it for a profit.

The risk, of course, is that the price of the stock could go down, in which case you'd lose money. Brokers sell stocks to investors. You can either opt for an online brokerage firm or work face-to face with a broker.

Bonds

When you buy a bond, you're essentially lending money to an entity. Generally, this is a business or a government entity.

After the bond matures — that is, you've held it for a predetermined amount of time — you earn back the principal you spent on the bond, plus a determined rate of interest.

The rate of return for bonds is typically much lower than it is for stocks, but bonds also tend to be lower risk. There is some risk involved, of course. The company you buy a bond from could fold, or the government could default. Treasury bonds especially, however, are considered a very safe investment.

Mutual Funds

A mutual fund is a pool of many investors' money that is invested broadly in a number of companies. Mutual funds can be actively managed or passively managed. An actively managed fund has a fund manager who picks companies and other instruments in which to put investors' money. Fund managers try to beat the market by choosing investments that will increase in value.

Mutual funds carry many of the same risks as stocks and bonds, depending on what they are invested in. The risk is lesser, though, because the investments are inherently diversified.

Exchange-Traded Funds

Exchange-traded funds (ETFs) are similar to mutual funds in that they are a collection of investments that tracks a market index. Unlike mutual funds, which are purchased through a fund company, ETFs are bought and sold on the stock markets. Their price fluctuates throughout the trading day, whereas mutual funds' value is simply the net value of your investments. ETFs are often recommended to new investors because they're more diversified than individual stocks. You can further minimize risk by choosing an ETF that tracks a broad index.

Certificates of Deposit

A certificate of deposit (CD) is a very low-risk investment. You give a bank a certain amount of money for a predetermined amount of time. When that time period is over, you get your principal back, plus a predetermined amount of interest. The longer the loan period, the higher your interest rate.

Options

An option is a somewhat more complicated way to buy a stock. When you buy an option, you're purchasing the ability to buy or sell an asset at a certain price at a given time. There are two types of options: call options, for buying assets, and put options, for selling options.

The risk of an option is that the stock will decrease in value. If the stock decreases from its initial price, you lose your money. Options are a highly advanced investing technique, and you must get approval to participate in the options market.

Annuities

Many people use annuities as part of their retirement savings plan. When you buy an annuity, you purchase a contract with an insurance company and, in return, you get periodic payments. The payments may begin right away or at a specified future date. They may last until death or only for a predetermined period of time.

While annuities are fairly low risk, they aren't high-growth. They make a good supplement to retirement savings, rather than an integral source of funding.

Cryptocurrencies

Cryptocurrencies are a fairly new investment option. Bitcoin is the most famous cryptocurrency, but there are countless others. Cryptocurrencies are digital currencies that don't have any government backing. You can buy and sell them on cryptocurrency exchanges. Some retailers will even let you make purchases with them.

Cryptos often have wild fluctuations, making them a very risky investment.

Commodities

Commodities are physical products you can buy. They could be agricultural products like wheat, barley and corn, or energy products like oil, coal or solar power. Precious metals like gold and silver are some of the most common commodities.

Commodities investing runs the risk that the price of the product will go down quickly. For instance, political actions can greatly change the value of something like oil, while weather can impact the value of agricultural products.

Essential features of an Investment

A good investment programme is one which is consistent with the objectives of the investor, i.e., it should have all the advantages of fruitful investment. The following are the essential ingredients of a good investment programme.

Safety of principal

Safety of funds invested is one of the essential ingredients of a good investment programme.

Safety of principal signifies protection against any possible loss under the changing conditions. Safety of principal can be achieved through a careful review of economic and industrial trends before choosing the type of investment. It is clear that no one can make a forecast of future economic conditions with utmost precision. To safeguard against certain errors that may creep in while making an investment decision, extensive diversification is suggested.

The main objective of diversification is the reduction of risk in the loss of capital and income. A diversified portfolio is less risky than holding a single portfolio.

Diversification refers to an assorted approach to investment commitments. Diversification may be of two types, namely, Vertical diversification; and Horizontal diversification.

Under vertical diversification, securities of various companies engaged in different stages of production (from raw material to finished products) are chosen for investment.

On the contrary, horizontal diversification means making investment in those securities of the companies that are engaged in the same stage of production.

Apart from the above classification, securities may be classified into bonds and shares which may in turn be reclassified according to their types. Further, securities can also be classified according to due date of interest, etc. However, the simplest diversification is holding different types of securities with reasonable concentration in each

Liquidity and Collateral value

A liquid investment is one which can be converted into cash immediately without monetary loss. Liquid investments help investors meet emergencies. Stocks are easily marketable only when they provide adequate return through dividends and capital appreciation. Portfolio of liquid investments enables the investors to raise funds through the sale of liquid securities or borrowing by offering them as collateral security. The investor invests in high grade and readily saleable investments in order to ensure their liquidity and collateral value.

Stable income

Investors invest their funds in such assets that provide stable income. Regularity of income is consistent with a good investment programme. The income should not only be stable but also adequate as well.

Capital growth

One of the important principles of investment is capital appreciation. A company flourishes when the industry to which it belongs is sound. So, the investors, by recognizing the connection between industry growth and capital appreciation should invest in growth stocks. In short, right issue in the right industry should be bought at the right time.

Tax implications

While planning an investment programme, the tax implications related to it must be seriously considered. In particular, the amount of income an investment provides and the burden of income tax on that income should be given a serious thought. Investors in small income brackets intend to maximize the cash returns on their investments and hence they are hesitant to take excessive risks. On the contrary, investors who are not particular about cash income do not consider tax implications seriously.

Stability of Purchasing Power

Investment is the employment of funds with the objective of earning income or capital appreciation. In other words, current funds are sacrificed with the aim of receiving larger amounts of future funds. So, the investor should consider the purchasing power of future funds. In order to maintain the stability of purchasing power, the investor should analyse the expected price level inflation and the possibilities of gains and losses in the investment available to them.

Legality

The investor should invest only in such assets which are approved by law. Illegal securities will land the investor in trouble. Apart from being satisfied with the legality of investment, the investor should be free from management of securities. In case of investments in Unit Trust of India and mutual funds of Life Insurance Corporation, the management of funds is left to the care of a competent body. It will diversify the pooled funds according to the principles of safety, liquidity and stability.

The investment activities can be classified into two categories:

Direct Investing

Indirect Investing

Direct Investing

Direct investment involves the buying and selling of securities by investors themselves. The securities may be capital market securities such as shares, debentures or derivatives products, or money market instruments such as Treasury Bills, Commercial Bills, Commercial Papers and Certificates of Deposits etc.

Indirect Investing

Investors may not directly invest and manage the portfolio; rather they buy the units of funds that hold various types of securities on behalf of investors. The funds are known as mutual funds or investment companies and the part owners are known as unit holders. In case indirect investing, the investors let the investment company to do all the work and make all the decisions (for a fee). The unit-holders have ownership interest in the assets of the fund or the investment company and are entitled to a pro-rata share of interest, dividend and capital gains generated. It involves investing in mutual funds and exchange traded funds.

Market segmentation

Market segmentation is a business practice that brands use to divide their target market into smaller, more manageable groups of people based on common ground they share to optimize their marketing, advertising, and sales efforts.

Simply put, customers of each market segment have similar characteristics that businesses can leverage to advance their efforts. Accept the fact that you can't be everything for everybody, and as a marketer, you can't solve everyone's problem or appeal to every single person. This is exactly why market segmentation is an effective growth strategy to implement. The process of defining and subdividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics. Its objective is to design a marketing mix that precisely matches the expectations of customers in the targeted segment.

The importance of using market segmentation for your business

Market segmentation makes it easier for marketing teams to develop highly targeted and effective marketing campaigns and plans.

More Precise Definition of the Market:

Segmentation improves company's understanding of why consumers do or do not buy certain products. Marketer can have very clear understanding of his consumers and formulate and implement marketing plan more successfully.

Maximum Customer Satisfaction:

Market segmentation is relevant to the modern marketing practices. It ensures both maximum satisfaction to consumers and maximum sales to the company.

Effective Marketing Strategy:

Market segmentation provides an opportunity to understand needs and wants of different segments of the market. This can help in formulating marketing mix/ programme more meaningfully. Company can gain a maximum market response.

Essence of Modern Marketing:

Market segmentation strategy fits with modern marketing philosophy. If the marketer wants to satisfy his valued consumers, market segmentation is the only option. It is an essential condition for the successful modern marketing practice.

Improved Profitability:

On the basis of the study on needs of specific group of buyers, the products are manufactured. Company can attract distinct groups of buyers and can increase sales. An increased sale has positive impact on its profitability.

Optimum Use of Productive Resources:

Market segmentation leads to effective use of the valuable resources. Resources are allocated and used exactly as per market needs, avoiding mismatching between what marketer offers and what the market needs. So, valuable resources like man, money, material, space, technology, time, etc., can be utilized more effectively.

Benefit of Specialization:

It is easy to direct marketing efforts more clearly and specifically. Company designs its marketing programme for different products and for various groups of buyers. Specialization in production and marketing can offer a lot of benefits to the company.

High Competitiveness:

As a result of market segmentation, a company can treat its consumers more effectively than competitors. It improves competitive strength of the company. Company can respond strongly to the competitor; can prevent the entry of competitors; or can defeat competitors. Company can create and maintain the loyal consumers for long period of time.

Collection of Valuable Information:

Market segmentation process elicits a lot of valuable information for the company.

Such information is instrumental for marketing research, product development, and evaluation of marketing activities. It is also useful for measuring effectiveness of sales and distribution facilities.

Identifying Market opportunity:

Market segmentation helps establish close relations with specific groups of buyers. Consumers inform the company regarding changes in their needs, wants, and habits on a continuous basis or whenever asked. Thus, it is easy for a marketer to project the future trends.

Benefits to Society and Nation:

Market segmentation, if taken objectively, can contribute to social welfare and national development. Basically, it is a consumer-oriented philosophy, and it results into a win-win-win approach, that is, company, society, and nation, all three, are benefited.

Benefits to Small Scale Industrial Units:

We know that small-scale industrial units can function on a limited scale of operation. By concentrating on special demand of specific group of a limited number of consumers, they

can afford products and get profitable market easily. They can compete with the large industrial units, too.

The Four Types of Market Segmentation

The four bases of market segmentation are:

Demographic segmentation

Psychographic segmentation

Behavioural segmentation

Geographic segmentation

Within each of these types of market segmentation, multiple sub-categories further classify audiences and customers.

Demographic Segmentation

Demographic segmentation is one of the most popular and commonly used types of market segmentation. It refers to statistical data about a group of people.

Demographic Market Segmentation Examples

Age

Gender

Income

Location

Family Situation

Annual Income

Education

Psychographic Segmentation

Psychographic segmentation categorizes audiences and customers by factors that relate to their personalities and characteristics

Psychographic Market Segmentation Examples

Personality traits

Values

Attitudes

Interests

Lifestyles

Psychological influences

Motivations

Priorities

Psychographic segmentation factors are slightly more difficult to identify than demographics because they are subjective. They are not data-focused and require research to uncover and understand.

Behavioural Segmentation

While demographic and psychographic segmentation focus on who a customer is, behavioural segmentation focuses on how the customer acts.

Behavioural Market Segmentation Examples

Purchasing habits

Spending habits

User status

Behavioural segmentation requires you to know about your customer's actions. These activities may relate to how a customer interacts with your brand or to other activities that happen away from your brand.

Geographic Segmentation

Geographic segmentation is the simplest type of market segmentation. It categorizes customers based on geographic borders.

Geographic Market Segmentation Examples

City

Country

Radius around a certain location

Climate

Urban or rural

What Internal & External Factors Affect Market Segmentation?

Market segmentation is the process of identifying specific customers within a broad marketplace that you target with products and promotion. In formulating segmentation strategies, companies have to consider internal factors, such as their abilities to meet the needs of certain customers. They also have to consider external influences that can help or hinder your success in a particular segment.

Strengths and Philosophies

The ideal market segment is one where the needs of consumers align closely with what your company brings to the table in terms of business philosophies and values and product or service strengths. If you have an ability to develop or deliver high quality products, a market with more income or quality preferences makes sense.

Marketing Mix Factors

Your marketing mix often provides a good framework for identifying the best customer segment. Your products or services, pricing strategies also impact your target market. If you opt for high prices and high margins, you likely need a market segment with more income.

Competition

One of the strongest external factors that impacts your ideal target market is the level of competition. When comparing the benefits of offering your goods to two different market segments, the marketplace with fewer existing competitors often makes the most sense.

Accessibility

While the Internet has helped in targeting broader geographic segments, you have to consider your ability to economically market to and distribute goods to target customers. Your local business may want to target geographic segments beyond your local marketplace, but the costs and logistics in getting your goods in front of customers in those areas may make that less attractive.

Distribution Channel

A distribution channel (also called a marketing channel) is the path or route decided by the company to deliver its good or service to the customers. The route can be as short as a direct interaction between the company and the customer or can include several interconnected intermediaries like wholesalers, distributors, retailers, etc. Hence, a distribution channel can also be referred to as a set of interdependent intermediaries that help make a product available to the end customer.

Functions of Distribution Channels

In order to understand the importance of distribution channels, you need to understand that it doesn't just bridge the gap between the producer of a product and its user. Distribution channels provide time, place, and ownership utility.

They make the product available when, where, and in which quantities the customer wants. But other than these transactional functions, marketing channels are also responsible to carry out the following functions:

Logistics and Physical Distribution:

Marketing channels are responsible for assembly, storage, sorting, and transportation of goods from manufacturers to customers.

Facilitation:

Channels of distribution even provide pre-sale and post-purchase services like financing, maintenance, information dissemination and channel coordination.

Creating Efficiencies:

Wholesalers and retailers purchase large quantities of goods from manufacturers but break the bulk by selling few at a time to many other channels or customers. They also offer different types of products at a single place which is a huge benefit to customers as they don't have to visit different retailers for different products.

Sharing Risks:

Since most of the channels buy the products beforehand, they also share the risk with the manufacturers and do everything possible to sell it.

Marketing:

Distribution channels are also called marketing channels because they are among the core touch points where many marketing strategies are executed. They are in direct contact with the end customers and help the manufacturers in propagating the brand message and product benefits and other benefits to the customers.

Types of Distribution Channels

Channels of distribution can be divided into the direct channel and the indirect channels. Indirect channels can further be divided into:

One-level

Two-level

Three-level

These channels are based on the number of intermediaries between manufacturers and customers.

Direct Channel or Zero-level Channel (Manufacturer to Customer)

Direct selling is one of the oldest forms of selling products. It doesn't involve the inclusion of an intermediary and the manufacturer gets in direct contact with the customer at the point of sale. Direct channels are usually used by manufacturers selling perishable goods, expensive goods, and whose target audience is geographically concentrated. For example, bakers, jewellers, etc.

Indirect Channels (Selling Through Intermediaries)

When a manufacturer involves a middleman/intermediary to sell its product to the end customer, it is said to be using an indirect channel. Indirect channels can be classified into three types:

One-level Channel (Manufacturer to Retailer to Customer)

Two-Level Channel (Manufacturer to Wholesaler to Retailer to Customer)

Three-Level Channel (Manufacturer to Agent to Wholesaler to Retailer to Customer)

One-level Channel (Manufacturer to Retailer to Customer):

Retailers buy the product from the manufacturer and then sell it to the customers. One level channel of distribution works best for manufacturers dealing in shopping goods like clothes, shoes, furniture, toys, etc.

Two-Level Channel (Manufacturer to Wholesaler to Retailer to Customer):

Wholesalers buy the bulk from the manufacturers, breaks it down into small packages and sells them to retailers who eventually sell it to the end customers.

Goods which are durable, standardized and somewhat inexpensive and whose target audience isn't limited to a confined area use two-level channel of distribution.

Three-Level Channel (Manufacturer to Agent to Wholesaler to Retailer to Customer):

Three level channel of distribution involves an agent besides the wholesaler and retailer who assists in selling goods. These agents come handy when goods need to move quickly into the market soon after the order is placed. They are given the duty to handle the product distribution of a specified area or district in return of a certain percentage commission.

Dual Distribution

When a manufacturer uses more than one marketing channel simultaneously to reach the end user, he is said to be using the dual distribution strategy.

They may open their own showrooms to sell the product directly while at the same time use internet marketplaces and other retailers to attract more customers. A perfect example of goods sold through dual distribution is smartphones.

Distribution Channels for Services

Unlike tangible goods, services can't be stored.

But this doesn't mean that all the services are always delivered using the direct channels. With the advent of the internet, online marketplaces, the aggregator business model, and the OnDemand business model, even services now use intermediaries to reach to the final customers.

The Internet as a Distribution Channel

The internet has revolutionized the way manufacturers deliver goods. Other than the traditional direct and indirect channels, manufacturers now use marketplaces like Amazon (Amazon also provide warehouse services for manufacturers' products) and other intermediaries like aggregators (uber, Instacart) to deliver the goods and services.

The internet has also resulted in the removal of unnecessary middlemen for products like software which are distributed directly over the internet.

Factors Determining the Choice of Distribution Channels

Selection of the perfect marketing channel is tough. It is among those few strategic decisions which either make or break your company.

Even though direct selling eliminates the intermediary expenses and gives more control in the hands of the manufacturer, it adds up to the internal workload and raises the fulfilment costs. Hence these four factors should be considered before deciding whether to opt for the direct or indirect distribution channel.

Customer Characteristics

Number of customers

Geographical location of customers

Buying habits

Tastes

Capacity and frequency of purchase

If the customer belongs to the consumer market
If the belongs to the industrial market.

Understanding consumer behaviour

Product Characteristics

Product cost

Technicality

Perishability

Standardized

Custom-made

Competition Characteristics

The choice of the marketing channel is also affected by the channel selected by the competitors in the market.

Usually, the firms tend to use a similar channel as used by the competitors. But some firms, to stand out and appeal to the consumer, use a different distribution channel than the competitors. For example, when all the smartphones were selling in the retail market, some companies partnered with Amazon and used the scarcity principle to launch their smartphone as Amazon exclusive.

Company Characteristics

Financial strength, management expertise, and the desire for control act as important factors while deciding the route the product will take before being available to the end user.

A company having a large amount of funds and good management expertise (people who have sufficient knowledge and expertise of distribution) can create the distribution channels of its own but a company with low financial stability and management expertise has to rely on third-party distributors

The companies who want to have tight control over the distribution prefer direct channels.

Whereas, those companies to whom such control doesn't matter or those who are just interested in the sales of their products prefer indirect channels

Pricing decisions

Pricing decisions are the choices businesses make when setting prices for their products or services.

Pricing is considered part of a company's marketing strategy because it influences its relationship with customers: When prices are fair and competitive, customers come back, increasing the profitability of the business.

Pricing decisions can be simple or complex.

Simple pricing involves charging what competitors charge for similar goods and services.

This strategy is often used by retailers and wholesalers selling commodities.

Companies that make simple pricing decisions often try to increase sales by making small, competitive adjustments such as purchase discounts, volume discounts and purchase allowances

Complex pricing is based on the originality of a product or service and what customers are willing to pay for it. This type of pricing is determined through negotiation with the customer and is common for custom furniture, artworks and consulting services.

Whether pricing strategy is simple or complex, a business must:

Understand its customers and how price influences their purchasing decisions

Know what competitors are offering and what they charge for their products and services

Adjust quickly to changes in markets, vendors and customers

Help customers understand why its products or services are priced as they are

Be able to negotiate with wholesalers, retailers and other suppliers and resellers

Track how pricing affects sales

Meaning of Pricing Policy

A pricing policy is a standing answer to recurring question. A systematic approach to pricing requires the decision that an individual pricing situation be generalized and codified into a policy coverage of all the principal pricing problems. Policies can and should be tailored to various competitive situations. A policy approach which is becoming normal for sales activities is comparatively rare in pricing.

Factors Affecting the Pricing Decisions

Price is the only element of marketing mix that helps in generating income.

Therefore, a marketer should adopt a well-planned approach for pricing decisions.

The marketer should know the factors that influence the pricing decisions before setting the price of a product.

Organizational Objectives

The marketers should set the prices as per the organizational goals. For instance, an organization has set a goal to produce quality products, thus, the prices will be set according to the quality of products.

Costs:

Marketers analyse the costs before setting the prices to minimize losses. Costs include cost of raw materials, selling and distribution overheads, cost of advertisement and sales promotion and office and administration overheads.

Legal and Regulatory Issues:

Persuade marketers to change price decisions. The legal and regulatory laws set prices on various products, such as insurance and dairy items. These laws may lead to the fixing, freezing, or controlling of prices at minimum or maximum levels.

Product Characteristics:

Include the nature of the product, substitutes of the product, stage of life-cycle of the product, and product diversification.

Competition

The organization matches the prices with the competitors and adjusts the prices more or less than the competitors. The organization also assesses that how the competitors respond to changes in the prices.

Pricing Objectives:

Help an organization in determining price decisions. For instance, an organization has a pricing objective to increase the market share through low pricing. Therefore, it needs to set the prices less than the competitor prices to gain the market share. Giving rebates and discounts on products is also a price objective that influences the customer's decisions to buy a product.

Price Elasticity of Demand

Refers to change in demand of a product due to change in price. There are three situations that arise under it: Products that have inelastic demand will be highly priced. Products that have more than elastic demand will be priced low Products that have elastic demand will be reasonably priced.

Competitor's pricing Policies:

Influence the pricing policies of the organizations. The price of a product should be determined in such a way that it should easily face price competition.

Distribution Channels

Implies a pathway through which the final products of manufacturers reach the end users. If the distribution channel is large, price of the product will be high and if the distribution channel is short, the price of the product will be low.

Thus, these are the major factors that influence the pricing decisions.

Price regulation

Price regulation refers to the policy of setting prices by a government agency, legal statute or regulatory authority. Under this policy, minimum and/or maximum prices may be set. The purpose of such regulation will be to prevent the monopolist setting prices at a level that generates monopoly profits. The regulator will attempt to simulate price formation under competitive conditions and relate prices to the marginal cost of supplying the goods or services in the market.

Before competition, price regulation was needed to correct monopolistic tendencies (i.e. restricting output and holding up prices) by the incumbent. This was usually done with rate of return regulation or with price cap regulation.

In the transition to competition, many countries kept some retail price controls to manage the price rebalancing that comes with the transition from monopoly to competition.

With competition, the regulatory focus shifts from regulating retail prices to access prices and maybe neither (e.g. if there is effective infrastructure competition); but not both. To protect competition, the regulator may still need to act to prevent anti-competitive conduct. And, there may be cases where access price regulation alone is not effective .

Policy Issues

Before the development of effective competition (e.g. state owned monopoly operators) the regulatory concern is that prices will be set substantially above cost so that the operator earns a monopoly level of profit. Wholesale prices are not relevant because there is no competition. With monopoly, the regulatory focus is on regulating retail prices to get the outcome one would expect if the market was competitive.

When regulating either access or retail prices (or both), regulators observe the principles of economic efficiency because that leads to the outcomes we expect in a competitive market. But regulators are expected to target not only economic efficiency objectives but also politically determined social equity objectives which may include:

Managing tariff rebalancing: An important outcome in the transition from monopoly to competition is the elimination of cross-subsidies through tariff rebalancing. Competition erodes cross-subsidies and incumbents would like to expedite this process by increasing

unprofitable (subsidised) retail access prices in order to lower profitable long-distance call prices. But sudden tariff rebalancing is politically unacceptable. So, price caps, geographical averaging or other similar schemes may be introduced to manage the impact of the necessary rebalancing and to ensure that rebalancing does not undermine the affordability of telephone services.

Whatever the benefits from subsidizing access prices, economists agree that rebalancing tariffs can produce significant economic gains. Tariff rebalancing meets economic efficiency objectives and can improve social welfare by stimulating demand for services such as long distance calling. Rebalanced prices provide improved signals to actual and potential service providers to invest in network access technologies and improve incentives for competitors to compete for a broad range of customers.

Maintaining geographically uniform prices: It costs more to provide services in rural areas than in urban areas but for political reasons it may be necessary to insist that customers pay the same in any area. This social policy presents a clear conflict with economic efficiency principles. Retail price regulations may require this policy to be observed by the incumbent. Regulators setting cost-based prices may be tempted to set de-average wholesale prices which would pose problems for the incumbent.

Affordability: the traditional monopoly policy of cross-subsidising access from calls helped increase take-up of fixed services. The fear that fixed services might become less affordable after tariff rebalancing has been mitigated by the rapid adoption of mobile services. Now the fear is that fixed broadband services may not be affordable after spending millions of dollars replacing copper with fibre.

Since cross-subsidy is no longer viable, policy-makers need to find other instruments to ensure affordability. These could include direct subsidies to disadvantaged users or to operators (after competitive tenders) to fund roll-out.

Where there is competition, the regulatory focus is on access pricing leaving to market forces driving retail prices – with two exceptions.

First, there may be some politically mandated pricing constraints, for the reasons just mentioned. The regulator should be given directions by policy-makers for pricing that supports social objectives. Otherwise, the regulator should be guided by economic efficiency principles.

Second, the incumbent may seek to use its market position to frustrate competition. The ways in which this may occur and how the regulator can remedy such behaviour are discussed in the section on controlling anti-competitive conduct [*](#).

Any other interventions to regulate retail specific prices are likely to distort markets.

The equilibrium price is the price determined in a free market; the price determined by the interaction of supply and demand.

Under what conditions could this market price be unfavourable? (Need and role of regulators) Volatile prices

Some agricultural markets could see very volatile prices due to changes in the weather and inelastic demand. The government could attempt to maintain an average/target price, which avoids these short-term fluctuations. For example, a very good harvest could reduce the price of a food item. This low price would reduce incomes of farmers and could leave them with insufficient money for that year. In this case, the government could use a minimum price. On the other hand, if prices rose too much because of a shortage, the government may be concerned that prices were too high and low-income consumers might not be able to afford. In this case, the government may use a maximum price to prevent prices going too high. The motivation for this is to ensure that all consumers can still afford the good. In developing economies, we may see maximum prices for food, in the developed world perhaps maximum prices for renting or transport. However, the problem is that a maximum price may lead to shortages, queues and a black market.

Very inelastic supply

If we have a good with a very inelastic supply, it gives firms/owners the potential to increase the price significantly. But if the good is very important, the government may again use maximum prices. One example is renting. Supply of rented accommodation is inelastic, at least in short term. Landlords could use this shortage of accommodation to increase the price of rents and make more profit.

Goods with Externalities

For goods with negative externalities or goods considered demerit goods, the government may wish to increase the price above the market clearing price. For example, there was talk about a minimum price for cheap alcohol. The hope was that increasing the price of alcohol would help reduce issues related to binge drinking and alcoholism. In this case, the market equilibrium price for cheap alcohol ignores the social costs of the good. The government is trying to set a price which gives a more socially efficient consumption level.

Usually, governments increase the market price by placing a tax on the good. In that way, they discourage use of good, but also gain revenue. e.g. tax on carbon, tax on sugary drinks. Similarly, the government may seek to reduce the price of goods with positive externalities through subsidy or direct provision (e.g. healthcare/education)

Marketing of financial products

Developing marketing strategies for financial services means considering a range of elements which include:

- Your organization's goals & objectives
- Target markets
- New & emerging markets
- Your organization's strengths & weaknesses
- Resources available

However, no matter what your goals or the financial services you provide, effective financial marketing strategies can help you to focus on efforts so that you can better reach targets and goals.

The 5 Most Effective Marketing Strategies for Financial Services:

- Customer Outreach
- Self-Service and Digitization
- Social Media
- Automation and Big-Data
- Digital Storytelling

Customer Outreach

Customer outreach is one of the oldest and simplest marketing strategies for banks and financial institutions to adopt. However, it's also one of the most effective. Customer outreach is quite simply the concept of reaching out to customers to fill existing needs surrounding education, awareness, and help. This scales to a small organization in the form of free consultations and webinars and to larger ones in the form of financial education such as debt management programs or financial education in schools.

Why does it work? Customer outreach may seem like a largely philanthropic use of budget, but it works to build awareness, customer loyalty, and interest in products and services. A carefully formulated financial marketing strategy takes the services and features you are trying to sell and other marketing campaigns into consideration. For example, if you know that students are going back to school, you could focus customer outreach around programs for teaching college students to manage money on their own, towards saving for college, or budgeting to save up for a car. If you know your geographic area has a large percentage of seniors, you could create free programs teaching seniors to use digital banking and about online security. These programs would, in turn, promote savings accounts, digital solutions, and even your bank through awareness and increased consumer trust.

Self-Service and Digitization

Where baby boomers and previous generations largely preferred to receive products through sales representatives who could advise them and set up personalized (or not) accounts for them, millennials and Generation Z often want to do everything themselves with as little contact with human representatives as possible. Setting up and promoting digitized products and customer service or experience portals that enable customers to sign up for services online, change products and services online, and view their information without going into a branch is an effective and increasingly necessary trend for financial organizations. However, it is not a marketing strategy that applies to every organization, as you may not sell products only services.

Social Media

Many use social for up to 4-5 hours per day. Your smart and consistent use of one or more social media platforms is a valuable financial marketing strategy that you cannot afford to ignore. Millennials, Generation Z, use social media platforms to connect with brands, learn from peers, and follow current events and news. Maintaining a steady presence on one or more sites with a strategy in place to offer value to followers will help you to build brand trust, create marketing opportunities, and grow your customer base.

Many financial and banking organizations use social media to connect with consumers for the purpose of building trust. For example, by showing that real people work at banks and in financial services, showcasing customers and success stories, and delivering customer service. For example, financial organizations can typically cut the cost of customer service by over 70% by switching from phone to social media. A good social media marketing strategy requires smart use of storytelling, content, and creative humour as well as consistency and the willingness to offer value for the customer rather than the bank. However, it is well worth the effort in terms of building trust, awareness, and relationships with consumers in their space.

Automation and Big Data

Most financial organizations have more data than they know what to do with, but that is quickly changing. Today, customer experience platforms and automation tools make it easier than ever to utilize and apply data as part of your marketing efforts. For example, big data can tell you who is saving up for a big purchase and most likely to need pre-approval for a loan, big data can help you identify and offer services before or after they are needed, it can help you to target specific customers for additional customer service or education, and can help you to cut down on needed customer service.

For example, JP Morgan uses bots to respond to internal IT access requests, cutting the need for 40 full-time employees, and speeding up the process. Other banks are using automation to tailor services, offer more specific or personalized solutions, and to create custom data and dashboards for customers in ways that would have been prohibitively expensive without automation.

Digital Storytelling

Storytelling is still one of the most effective marketing mediums, whether on social media, video, ads, or cross-channel platforms extending into the real world. Here, your marketing strategy should encompass telling a story that captures interest and evokes emotion to interest, excite, and move the viewer. Here, your goal is to create relatable and shareable content which can educate, entertain, or help the reader in some way – and hopefully manage all three at once.

For example, Allstate’s award-winning “Worth Telling” digital storytelling marketing campaign focuses on telling the story of 3-8 customers who are making a difference. Allstate not only promotes what their customers are doing, building trust by sharing real people and stories, but also dries interest across all marketing channels, builds customer relationships, and creates a human factor while promoting the products and services discussed in the videos. No matter what your financial organization does, digital media opens up a wide range of marketing tactics and strategies you can take. However, you shouldn’t focus on just one or try to incorporate everything. Instead, create a single, broader financial marketing strategy so that each element adds to and builds on the rest, adding value to your organization.

Customer Relationship Management

The art of managing the organization’s relationship with the customers and prospective clients refer to customer relationship management. Customer relationship management includes various strategies and techniques to maintain healthy relationship with the organization’s existing as well as potential customers. Organizations must ensure customers are satisfied with their products and services for higher customer retention. One satisfied customer brings ten new customers with him where as one dissatisfied customer takes away ten customers along with him. In simpler words, customer relationship management refers to the study of needs and expectations of the customers and providing them the right solution

Need for Customer Relationship Management

Customer Relationship Management leads to satisfied customers and eventually higher business every time. Customer Relationship Management goes a long way in retaining existing customers.

Customer relationship management ensures customers return back home with a smile. Customer relationship management improves the relationship between the organization and customers. Such activities strengthen the bond between the sales representatives and customers.

Steps to Customer Relationship Management

- It is essential for the sales representatives to understand the needs, interest as well as budget of the customers. Don't suggest anything which would burn a hole in their pockets.
- Never tell lies to the customers. Convey them only what your product offers. Don't cook fake stories or ever try to fool them.
- It is a sin to make customers waiting. Sales professionals should reach meetings on or before time. Make sure you are there at the venue before the customer reaches.
- A sales professional should think from the customer's perspective. Don't only think about your own targets and incentives. Suggest only what is right for the customer. Don't sell an expensive mobile to a customer who earns rupees five thousand per month. He would never come back to you and your organization would lose one of its esteemed customers.
- Don't oversell. Being pushy does not work in sales. If a customer needs something; he would definitely purchase the same. Never irritate the customer or make his life hell. Don't call him more than twice in a single day.
- An individual needs time to develop trust in you and your product. Give him time to think and decide.
- Never be rude to customers. Handle the customers with patience and care. One should never ever get hyper with the customers.
- Attend sales meeting with a cool mind. Greet the customers with a smile and try to solve their queries at the earliest.
- Keep in touch with the customers even after the deal. Devise customer loyalty programs for them to return to your organization. Give them bonus points or gifts on every second purchase.
- The sales manager must provide necessary training to the sales team to teach them how to interact with the customers. Remember customers are the assets of every business and it is important to keep them happy and satisfied for successful functioning of organization.

Benefits of CRM

Improved Customers Retention

Gaining a new customer is a critical job. In this tough market conditions, retaining the existing customer becomes crucial to have a grip on this competitive sector. Customers' retention can be accomplished through enhanced customer satisfaction and loyalty.

Boosted Sales

Sales have become an important part with the CRM evolution. CRM assists banks in sales management with its sales module. It helps you identify and convert leads into prospective customers. CRM assists in the acquisition of new customers through the use of past track records and value they brought to the bank.

More Effective Marketing Efforts

CRM makes the efforts of marketing department more productive. CRM generates report highlighting customers' touch and data points, purchase behaviour, engagement channels and much more. With this information, marketing teams can develop new marketing opportunities for engagement and retention.

Increased Productivity

With a complete data of customers on a single screen, more time can be spent on strengthening their customer relationships than spending on gathering and organizing data.

CRM increases productivity by reducing cost through minimizing or eliminating repetitive tasks. With the right technology in place, bankers are able to handle more customers account in less time than before, making them more productive.

Personalized Customer Relationships

The CRM ultimate objective is to handle customers on a personalized level, as apparent identity. It is difficult to keep track of and follow up each individual customer data and look at trends. CRM overcome this difficulty, by letting bankers provide personalized services to its every customer. You can see about need, preferences and the behaviour of each customer on a single platform and then plan your marketing strategy.

Efficient Communication

Financial institutions call centres are using CRM software for many purposes. CRM is automating communication and interactions with customers. A CRM also helps banks to monitor conversations about their brand and products across different online media. It is also assisting in inter-department communication.

Better Customer Service and Experience

CRM provides deeper insights into customers' data, thus enabling greater customer support service. It provides better customer service via quick automated response to customers'

queries, facilitating services relevant to them. CRM aids in improving customer experience. CRM creates better customer experience through assisting in knowing what customer desires, furnishing quick support, building personal relationships and then maintaining an ongoing journey.

Relationship Marketing

Relationship marketing is a sales approach focusing on building a long-term relationship that benefits both the customer and the business.

Some of the techniques businesses use in relationship marketing include providing consistently excellent customer service, getting to know the individual and anticipating their future needs, and offering discounts and special perks through loyalty programs for repeat customers. The rise of the internet gives small businesses ample opportunity to build relationships and engage with customers by inviting them to visit their websites and comment on blogs, as well as interact on social media sites such as Facebook, Twitter, Pinterest, YouTube and LinkedIn.

What is customer relationship marketing vs customer relationship management?

“I want to implement CRM,” your sales manager says to you via email. “Do some research on what this would look like for our company.” Sounds like a straightforward project? Not quite. First, clarification is in order.

The acronym “CRM” is shared by customer relationship marketing and customer relationship management. Though the two terms are quite different, they complement each other and can be applied to sales and marketing processes.

Customer relationship marketing is supported by customer relationship management

Think of customer relationship marketing as a strategy and customer relationship management as an action. The latter can be used to carry out the former. Customer relationship marketing is “a business process in which client relationships, customer loyalty, and brand value are built through marketing strategies and activities.” It’s a long-term strategy focused on the customer relationship, not on a single transaction.

Relationship marketing can be divided into four stages:

Establish the initial relationship.

This stage is also called “exploratory” as it includes initial activities and conversations to determine if a customer and company are a good fit for each other’s needs. Consider it the first impression.

Get to know each other.

The “basic” stage takes the customer relationship a step further. A company attempts to prove to potential customers that they understand their needs, sharing helpful resources and communicating the value of their product/service.

Develop a deeper relationship.

A potential customer shouldn't stay in the “basic” stage too long. Multiple departments need to become involved in this, the “collaborated” stage, and work together to nurture the customer relationship.

Become committed partners.

The “interconnected” stage means that your company has forged a connection with your customer that's hard to break. Departments are working together to create a seamless experience. Customers completely trust your company and are incentivized to stick around for the long-term.

An excellent example of successful relationship marketing is Prescribe Wellness. According to Human Marketing, the B2B company (which works with thousands of local pharmacies across the U.S.) created “a separate site showing their solutions to expand their services, reach more patients, improve adherence and loyalty, and streamline operations.” The site is easy to navigate and aesthetically pleasing for customers.

The Prescribe Wellness website is specially designed to generate new leads as it shows that the company cares about customer needs, which strengthens the customer relationship.

On the flip side, customer relationship management is managing potential and current customer relationships through collecting and analysing customer data. It's powered by the customer relationship management software.

The four stages of customer relationship management are

Collect data. Insert contact and business information into a CRM.

Analyse data. Automatically pull into insightful reports about customers.

Develop customer strategies. Use the data to create things like personalized campaigns.

Act on strategies. Make the customer's life better based on what you know about them.

Zendesk Sell is an example of a CRM tool. Contact information for potential and current customers is easily added into the platform. Seller then automatically pulls this information

into helpful reports such as Deal Sources to see which deal sources bring your company the most business.

Benefits of customer relationship marketing

Benefits of both concepts coincide with each other. A CRM tool helps achieve the goals laid out in customer relationship marketing. And vice versa: When customers are happy and interacting with a company, more data is inserted in your CRM tool which benefits customer management.

Build strong relationships with current and potential customers. By implementing relationship marketing strategies, you up the loyalty of your customers and demonstrate that you view them as a relationship, not a transaction.

Improve customer retention. The better you understand potential and current customers and can solve their pain points, the more likely they'll stick around.

Increase the chance of quality referrals. When customers are happy, they're more likely to refer your business. And according to one source, referral leads convert 30% better than leads generated from other marketing channels.

Customer relationship marketing strategies (and how a CRM supports it)

Customer relationship marketing is all about getting to know your customers and using this knowledge to continually strengthen the relationship. A CRM software helps with building these relationships.

Personalize interactions through knowledge about customer value/needs.

View customer data (e.g., budget, decision-makers, customer value, conversations, etc.) within your CRM. Segment customers by this information and personalize their experiences. For example, maybe you segment customers by revenue. You then create a VIP package for your most profitable customers that includes exclusive resources and one-on-one consulting.

Focus on customer-centric metrics.

Metrics such as Customer Lifetime Value and Net Promoter Score ensure that the customer relationship is the central focus across departments. You can easily review key performance indicators (KPI) reports directly in your CRM, including charts and graphs for visual reference.

Use content marketing to meet customer needs.

Content marketing is an effective way to take customer needs and turn them into helpful content (like this piece) for any part of the sales funnel. Create case studies, eBooks, walkthrough guides, and videos based on what customers are asking for and leverage yourself as an influencer and a value-provider. Ensure that customers' conversations are all on one platform (your CRM) and see what resources customers need from sales and support.

Monitor customer conversations across departments for consistent customer messaging.

Seventy-two percent of consumers think that having to repeat themselves — first to sales, then to support, etc. — is a sign of poor customer service. Integrate support tickets so no conversation falls through the cracks. For example, you can connect Zendesk Sell with Zendesk Support. If an issue or upsell opportunity comes up, support reps can easily forward customer tickets to the right sales rep. Sales reps can also see what support reps are telling customers and if their messaging aligns.

These strategies only touch the surface of customer relationship marketing strategies. Email marketing, social media management, and reward programs are other excellent strategies that can be combined with your CRM. Do your research and find ones that match your company's brand.

CRM Implementation

Customer relationship management (CRM) implementation is the process of installing CRM software so an organization can manage current and potential customer relationships. Successful CRM implementation can help businesses analyse customer interactions, efficiently track leads and streamline processes.

Identify why your organization needs a CRM system.

Your organization will maximize the benefits of a CRM system by first identifying which areas you want to improve or which problems need to be addressed.

Research the many vendors in the CRM bracket to find one that will be a good fit for your organization.

Consider factors, such as:

Strength of the vendor's product

Vendor's experience in the CRM market

Knowledge level of the vendor's employees

Vendor's corporate vision

Vendor's experience in working with companies the same size as yours

Customer references

Instil good businesses practices before implementing your CRM system.

The last thing you want to do is automate bad processes or deploy a CRM system that forces you to change the way you do business. Evaluate the quality of your business procedures and improve any shortcomings, then make sure the CRM system you choose can accommodate your practices.

Create a formula to assess the system's benefits for your company.

Declaring intangible benefits, such as increased productivity and better communication, is relatively easy to do, but gauging concrete payoffs, like a million dollar revenue boost or a 10% increase in customer retention, requires some planning. Knowing the system's benefit calculation is important because it benchmarks the success of your customer strategy and validates the importance of the system.

Identify which areas within your organization will use the system.

Gather input from all areas to ensure everyone's needs are met. You'll want to make sure that all users are satisfied with the functionality of the system because everyone must use the system in order for it to succeed.

There are different types of customer relationship management systems, so you'll want to ensure you're choosing the right one to address your organization's needs.

Develop a realistic budget that accounts for all expenses associated with the implementation of CRM system.

Be sure to discuss all of your expectations with your chosen CRM partner so you can both work to meet your budget.

For the first phase of your CRM implementation, estimate how you might want the system to evolve in the future.

For example, are there areas of the CRM system you will want customized to meet your unique needs? Add users? Find out if the system will be able to accommodate these changes.

After the first phase of CRM implementation, you can consider additional phases for rollout.

For example, once you have used the system for a few months, you might want to extend the system to other departments, implement other modules or other customizations that you did not consider during the initial implementation.

Evaluate whether you will need the system to interact with other software, such as your accounting or human resource systems.

Discuss ease and cost of integration with the vendor so you are aware of what the process entails.

What type of software integrations will help you best run your business?

Examples of software implementations include: QuickBooks CRM, which helps finance departments with both business and customer financial data. It also eliminates data duplication as well as generating invoices and estimating orders.

Implement the CRM system with a trickle down approach.

Support for the project must come from the top levels of management to instill a sense of importance and commitment toward using the system.

A CRM Evaluation Checklist: What Should You Look For?(CRM Evaluation)

With the wide range of different CRM solutions on the market, it can be challenging to figure out exactly which one is right for your business.

Should you pick the mainstream one that is most widely known?

Or go with a smaller platform that might be more tailored to your specific business objectives?

Core CRM Functionalities:

- **Sales Automation:**

What built-in capabilities does this solution provide for sales acceleration?

Does the solution auto-populate records and forms?

Can it ensure that contact data is accurate?

How does the solution drive sales productivity?

Can it automate the delivery of information about companies and influencers in its dashboards?

- **Lead Management:**

Does the solution come with functionality to automate prospect outreach and lead qualification? What capabilities does it include for lead nurturing?

- **Case Management and Self-Service:**

Does the solution deliver a comprehensive customer record to call centre agents that includes data from the sales department?

Does the solution automate call and email routing to support prioritization and reduce wait times?

Important CRM Features:

- **Workflow Automation:**

Does the solution automate workflows?

Does the automation support the entire customer journey, from acquisition to advocacy?

Does the solution offer automated call logging?

What skills do we need to customize workflows?

- **Integration (Applications and Data Sources):**

How does this solution integrate with applications and data sources?

What integration capabilities are built-in?

- **Usability:**

Is the default user interface consumer-grade?

What work is involved in customizing an interface?

How consistent are the desktop and mobile interfaces?

Does the solution include offline mobile capabilities?

- **Relationship Intelligence:**

Will the solution help us to accelerate call preparation time by providing associates with all the customer contact and social network information they need with just a name and an email? Will the solution enable us to spend less time on research and maintenance so that we can spend more time getting to know our customers?

Platform Requirements:

- **Customization and Extension Platform:**

How is the platform optimized for extensibility and customization?

- **Code Base/Source Code Access:**

Does the solution provide access to the full source code?

Is the code base consistent across all modules?

Is the solution written in a proprietary language?

What expertise and tools will we need to customize the solution?

- **Application Hosting:**

What are the options for hosting the application?

Can we choose where our data is stored?

Is there any charge for using local storage or a public cloud? Is there a charge if we choose to relocate our data?

- **Single- or Multi-Tenant Software:**

Do we have control of our own application version?

Do we schedule our own updates, or does the vendor set the migration schedule?

Security And Compliance:

Can this solution meet our data security and privacy requirements?

Does this solution enable us to meet our regulatory and compliance requirements?

Does this solution provide the governance tools we need?

Pricing/Total Cost Of Ownership (Tco):

What are the pricing models and levels?

Are there any up-charges, additional product charges, server license charges, or maintenance charges?

What other charges and fees might we incur over the lifetime of this solution?

Are there charges for usage above present limits and for storage of files? Are there charges for integrating applications and data sources?

Vendor Requirements:

What type of customer support is included with the solution?

Do they offer extended, phone-based technical support packages?

Do they provide a knowledge base, case portal, or other online resources?

How broad/deep is their ecosystem?

Are they part of a wider network of deployment partners?

Do they offer packaged connectors to critical features?

BUYING BEHAVIOR

A) Consumer's buying behaviour

- Factors affecting buying behaviour
- Need and importance of competition analysis
- Porters five force model.

B) Marketing Strategies

- Market entry strategies
- Recent trends in marketing of investment products, marketing through social networking channels.

Factors Affecting Consumer Behaviour

Consumer Buying Behaviour refers to the actions taken (both on and offline) by consumers before buying a product or service. This process may include consulting search engines, engaging with social media posts, or a variety of other actions. It is valuable for businesses to understand this process because it helps businesses better tailor their marketing initiatives to the marketing efforts that have successfully influenced consumers to buy in the past.

Common Factors Influencing Consumer Behaviour

- Psychological Factors
- Social Factors
- Cultural Factors
- Personal Factors
- Economic Factors

□ Psychological Factors

Human psychology is a major determinant of consumer behaviour. These factors are difficult to measure but are powerful enough to influence a buying decision. Some of the important psychological factors are:

Motivation: A person has many needs such as the social needs, basic needs, security needs, esteem needs and self-actualization needs. Out of all these needs, the basic needs and security needs take a position above all other needs. Hence basic needs and security needs have the power to motivate a consumer to buy products and services.

Perception: Customer perception is a process where a customer collects information about a product and interprets the information to make a meaningful image about a particular product. When a customer sees advertisements, promotions, customer reviews, social media feedback, etc. relating to a product, they develop an impression about the product.

Learning: Learning can be either conditional or cognitive. While a skill can be gained through practice, knowledge can be acquired only through experience. In conditional learning the consumer is exposed to a situation repeatedly, thereby making a consumer to develop a response towards it. Whereas in cognitive learning, the consumer will apply his knowledge and skills to find satisfaction and a solution from the product that he buys.

Attitudes and Beliefs: Consumers have certain attitude and beliefs which influence the buying decisions of a consumer. Based on this attitude, the consumer behaves in a particular way towards a product. Hence, the marketers try hard to understand the attitude of a consumer to design their marketing campaigns.

□ Social Factors

Humans are social beings and they live around many people who influence their buying behaviour. Human try to imitate other humans and also wish to be socially accepted in the society. Hence their buying behaviour is influenced by other people around them. These factors are considered as social factors. Some of the social factors are:

Family: Family plays a significant role in shaping the buying behaviour of a person. A person develops preferences from his childhood by watching family buy products and continues to buy the same products even when they grow up.

Reference Groups: Reference group is a group of people with whom a person associates himself. Generally, all the people in the reference group have common buying behaviour and influence each other.

Roles and status: If a person is in a high position, his buying behaviour will be influenced largely by his status. A person who is a Chief Executive Officer in a company will buy according to his status while a staff or an employee of the same company will have different buying pattern.

□ Cultural factors

A group of people are associated with a set of values and ideologies that belong to a particular community. When a person comes from a particular community, his/her behaviour is highly influenced by the culture relating to that particular community. Some of the cultural factors are:

Culture: Cultural Factors have strong influence on consumer buyer behaviour. Cultural Factors include the basic values, needs, wants, preferences, perceptions, and behaviours that are observed and learned by a consumer from their near family members and other important people around them.

Subculture: Within a cultural group, there exists many subcultures. These subcultural groups share the same set of beliefs and values. Subcultures can consist of people from different religion, caste, geographies and nationalities. These subcultures by itself form a customer segment.

Social Class: Each and every society across the globe has form of social class. The social class is not just determined by the income, but also other factors such as the occupation, family background, and education and residence location. Social class is important to predict the consumer behaviour.

□ Personal Factors

Factors that are personal to the consumers influence their buying behaviour. These personal factors differ from person to person, thereby producing different perceptions and consumer behaviour.

Age: The buying choices of youth differ from that of middle-aged people. Elderly people have a totally different buying behaviour. Teenagers will be more interested in buying colourful clothes and beauty products. Middle-aged are focused on house, property and vehicle for the family.

Income: Higher income gives higher purchasing power to consumers. When a consumer has higher disposable income, it gives more opportunity for the consumer to spend on luxurious products. Whereas low-income or middle-income group consumers spend most of their income on basic needs such as groceries and clothes.

Occupation: A person tends to buy things that are appropriate to this/her profession. For example, a doctor would buy clothes according to this profession while a professor will have different buying pattern.

Lifestyle: Lifestyle is an attitude, and a way in which an individual stay in the society. The buying behaviour is highly influenced by the lifestyle of a consumer. For example when a consumer leads a healthy lifestyle, then the products he buys will relate to healthy alternatives to junk food.

□ Economic Factors

The consumer buying habits and decisions greatly depend on the economic situation of a country or a market. When a nation is prosperous, the economy is strong, which leads to the greater money supply in the market and higher purchasing power for consumers. When consumers experience a positive economic environment, they are more confident to spend on buying products. Whereas, a weak economy reflects a struggling market that is impacted by unemployment and lower purchasing power.

Economic factors bear a significant influence on the buying decision of a consumer. Some of the important economic factors are:

Personal Income: When a person has a higher disposable income, the purchasing power increases simultaneously. Disposable income refers to the money that is left after spending towards the basic needs of a person. When there is an increase in disposable income, it leads to higher expenditure on various items. But when the disposable income reduces, parallelly the spending on multiple items also reduced.

Family Income: When more people are earning in the family, there is more income available for shopping basic needs and luxuries. Higher family income influences the people in the family to buy more. When there is a surplus income available for the family, the tendency is to buy more luxury items which otherwise a person might not have been able to buy.

Consumer Credit: When a consumer is offered easy credit to purchase goods, it promotes higher spending. Sellers are making it easy for the consumers to avail credit in the form of credit cards, easy instalments, bank loans, hire purchase, and many such other credit options. When there is higher credit available to consumers, the purchase of comfort and luxury items increases.

Liquid Assets: Consumers who have liquid assets tend to spend more on comfort and luxuries. Liquid assets are those assets, which can be converted into cash very easily. Cash in hand, bank savings and securities are some examples of liquid assets. When a consumer has higher liquid assets, it gives him more confidence to buy luxury goods.

Savings: A consumer is highly influenced by the amount of savings he/she wishes to set aside from his income. If a consumer decided to save more, then his expenditure on buying reduces. Whereas if a consumer is interested in saving more, then most of his income will go towards buying products.

Competitive analysis

A competitive analysis is a strategy where you identify major competitors and research their products, sales, and marketing strategies. By doing this, you can create solid business strategies that improve upon your competitor's.

A competitive analysis helps you learn the ins and outs of how your competition works. It also helps you identify what they're doing right and opportunities where you can easily one-up them by using a strategy they haven't taken advantage of.

Competitive Analysis in Marketing

Every brand can benefit from regular competitor analysis. By performing a competitor analysis, you'll be able to:

- Identify gaps in the market
- Develop new products and services
- Uncover market trends
- Market and sell more effectively

As you can see, learning any of these four components will lead your brand down the path of achievement. But before you get too excited to start, we need to nail down a few important basics. Once you identify your true competition, you'll need to determine what metrics you'll be comparing across the board.

Below are nine specific factors to compare and tips on how to identify this competition in the first place.

- Determine who your competitors are.

- Determine what products your competitors offer.
- Research your competitor's sales tactics and results.
- Analyse how your competitors market their products.
- Take note of your competition's content strategy.
- Analyse the level of engagement on your competitor's content.
- Observe how they promote marketing content.
- Look at their social media presence, strategies, and go-to platforms
- Perform a SWOT Analysis to learn their strengths, weaknesses, opportunities, and threats.

1. Determine who your competitors are.

First, you'll need to figure out who you're really competing with so you can compare the data accurately. What works in a business similar to yours may not work for your brand? Divide your "competitors" into two categories: direct and indirect. **Direct competitors** are businesses that offer a product or service that could pass as a similar substitute for yours, and that operate in your same geographic area. On the flip side, an **indirect competitor** is one that provides products that are not the same but could satisfy the same customer need or solve the same problem.

2. Determine what products your competitors offer.

At the heart of any business is its product or service, which is what makes this a good place to start. You'll want to analyse your competitor's complete product line and the quality of the products or services they're offering. You should also take note of their pricing and any discounts they're offering customers.

Some questions to consider include:

- Are they a low-cost or high-cost provider?
- Are they working mainly volume sales or one-off purchases?
- What is their market share?
- What are characteristics and needs of their ideal customers?
- Are they using different pricing strategies for online purchases versus brick and mortar?
- How does the company differentiate itself from its competitors?
- How do they distribute their products/services?

3. Research your competitors' sales tactics and results.

- Running a sales analysis of your competitors can be a bit tricky.
- You'll want to track down the answers to questions such as:
- What does the sales process look like?
- What channels are they selling through?
- Do they have multiple locations and how does this give them an advantage?
- Are they expanding? Scaling down?
- Do they have partner reselling programs?
- What are their customers' reasons for not buying? For ending their relationship with the company?

- What are their revenues each year? What about total sales volume?
- Do they regularly discount their products or services?
- How involved is a salesperson in the process?

What is a Competitive Analysis?

- A *competitive analysis* is the process of identifying your competitors and evaluating their strategies to determine their strengths and weaknesses relative to your own business, product, and service.
- The goal of the competitive analysis is to gather the intelligence necessary to find a line of attack and develop your go-to-market strategy.

Why You Should Conduct a Competitive Analysis

You've likely heard the saying "Keep your friends close, but keep your enemies even closer." When it comes to conducting a SaaS competitive analysis, that's not the whole story. In the SaaS (Software as a Service) industry, keeping your enemy close won't prevent you from getting ambushed. Sometimes you don't even know who your enemies are. The "enemy," after all, could be acquired by Amazon and put you out of business overnight. Or Google could build a competing product in your market.

Here's why you should conduct a SaaS competitive analysis, or "study the enemy." Studying the 'enemy' can help you understand the battlefield. It can help you identify where the "enemies" are and how they're approaching the business. It can help you discover strategic areas where you can position yourself for a win. A competitive analysis won't help you with pressing business decisions, such as what product feature to build next. ***Never copy your competitors for the sake of it; they could be 100% winging it!*** Moreover, if you're the industry leader, the value of analysing competitors is limited because you're the one leading the pack through uncharted territory.

- It will, however, help you develop a high-impact go-to-market (GTM) strategy.
- Understand Market Conditions
- Identify Strengths and Weaknesses
- Design / Adjust Go-to-Market (GTM) Strategy

How Not to Use a Competitive Analysis?

You'll never be able to fully understand or duplicate a competitor's strategy. A competitive analysis is just one input in your growth strategy and a limited one at that. You don't want to look to your competitors for marketing tactics. They might be spending thousands on Facebook ads, but that doesn't mean it's working. You also don't want to launch a new feature just to keep up with a competitor. For all the talk of the data-driven workplace, you'd be surprised how many product decisions are driven by petty internal politics or a micromanaging Hippo (Highest Paid Person's Opinion).

Don't use competitive analysis to make decisions on what to build next.

- Your next idea isn't going to come from your competitors. It should come from customer feedback, talking to prospects, and ideas your colleagues are sharing internally across your company.

Avoid industry research.

- Industry analysts aren't good at predicting disruptive companies and cutting-edge trends because such changes occur at the bottom of the market, which is generally not on their radar.
- Research giants like Forrester and Gartner provide industry consensus after major shifts have already occurred. Plus, they derive their research by analysing large organizations, so start-ups won't find what they're looking for here.

Don't spend too much time on it.

- Treat your competitive analysis as an ancillary activity.
- It shouldn't consume too much of your time and resources.
- Focus on what your customers are telling you, whether through feedback, interviews or their in-app behaviour. They will always be your strongest source of data and insights.

How to Select Competitors for Analysis

Competitive analysis is an exercise of comparing your business, product, and service to companies and finding similarities and differences.

The most critical part of kicking off a competitive analysis is choosing the right competitors to analyse. Otherwise, you will spend tons of time on competitive research with very limited insight to show for it. In other words, the competitors you select determines how you will perceive your company and the final analysis. Almost every product category is made up of over a dozen different players. You can't reasonably expect to analyse all of them. You don't need to either. An ideal competitor analysis includes three to five companies that represent the biggest threat to your business. But how can you develop a list that accurately reflects your real competitors? Here's what you need your organization to align on first:

1. Customer (WHO)

Who are your target customers (and companies)?

2. Problem (WHAT)

What core problem does your product solve for your target customers?

3. Product Category (HOW)

How do you solve this problem? Are you solving this problem with a unique technology or process?

Direct competitors are companies that sell to the same customers and solve the same problem using the same or similar solution (technology). Direct competitors solve the same problem for the same customer using the same solution. By solution, a similar technology or approach to the problem — one that seems indistinguishable to the customer.

Direct Competition = same customer + same problem + same/similar solution

Some competitors sell to the same customer using the same (or similar) solution but solve a different problem. For example, UberEats sells to the same customers but solves a different problem: food delivery instead of transportation.

Different Problem = same customer + different problem + same/similar solution

Some competitors solve the same problem with the same technology but focus on a different customer.

Different Customer = different customer + same/similar problem + same/similar solution

Some companies solve the same problem for the same customer but using a different solution. It can be different in terms of technology or process.

Different Solution = same customer + same problem + different solution

Limiting your organization to direct competitors only might lead you to a very narrow view of the market. This framework allows you to evaluate companies that aren't just your direct competitors but companies that could easily move into your turf. You want to consider companies that aren't currently in your category but could potentially leverage their product or technology in your space. Outside of direct competition, the most dangerous competitors are those that sell to the same target customer. These companies already have access to customers so it's much easier for them to provide products or services that solve another problem for the same customers.

Alternatives

Alternatives can satisfy similar or related customer needs with completely different functionality. It's essential to understand these so you know what you're up against and can position accordingly. For example, an alternative to Uber is a taking a walk or taking a taxi or riding a bike.

Company Size

It's a mistake to think you should only analyse competitors of a similar size to your company. The image below was used by Dan Ariely in his book Predictably Irrational to demonstrate the concept of relativity.

You can set up a much more balanced view if you look at both market leaders (often larger companies), as well as smaller, often more agile and younger companies.

This allows you to calibrate where you fall along the spectrum.

Are you growing faster than a company of your size and age? Are you doing about as well as a current market leader back when it was a smaller business too?

That context becomes helpful as you are deciding which companies to include in your competitive analysis. The more comprehensive your view of the competitive landscape, the more effectively you can identify potential opportunities for your company.

How to Conduct a Competitive Analysis

Now that you've finalized a short list of competitors, you're ready to begin the real work. To kick off a competitor analysis, start by collecting the basics and drilling down from there.

Company Overview

Why is it important to track your competitors' founding date, fundraising rounds and employee count? So you can use it as a benchmark against your own growth. If your company is a year old, how fast did your competitor grow when it was at your stage? How much revenue was it generating? How many customers did it have?

- Employee Count
- Founding Year
- Investors
- Number of Customers
- Mergers and Acquisitions
- Market Share
- Organizational Strength and Weakness

Summary of questions:

- What is the total number of employees your competitors have?
- Are your competitors expanding or scaling down?
- How old is your competitor?
- In what geographical market do they operate?
- How much have your competitors raised thus far?
- Who are your competitor's investors?
- What is your competitor's customer count?
- Can you estimate your competitor's growth rate or revenue?
- Have your competitors acquired companies? If so, in what industries?
- What is your competitor's market share?
- What are your competitor's top organizational strengths and weaknesses?

Go-to-Market Analysis (Customer Acquisition Analysis)

Now that you're done collecting company information about your competitors, it's time to dive deep into their go-to-market and customer acquisition strategy.

Remember: An effective GTM strategy requires an understanding of these five elements:

- Target customer & strategic messaging
- Market
- Product offering and pricing
- Channel
- Customer acquisition strategy

These are a sampling of the questions you'll need to answer as you do your research:

- What are the characteristics and needs of each competitor's ideal customers?
- How does each competitor acquire new customers?
- What type of content do they publish and what topics do they cover?
- What is their sales process - what channels does it involve, how long does it take, how involved is the sales team?

- How easy is it for customers to switch away from your competitors?
- What are the barriers to entry in the industry and in relation to each competitor?

Target customer

In B2B, the term target customer (or ideal customer profile) refers to both the company and decision maker profiles.

We can't fully grasp the pains and challenges of a decision maker without looking into his/her organization — and their stakeholders.

Larger organizations can throw more money at problems than a smaller, more agile company. Even decision makers with the same title, same goals, and same challenges might have different priorities and stakeholders to convince depending on the size of their organization. Put yourself in the shoes of your competitors and understand their customers:

- What kind of companies do your competitors sell to (size, revenue, vertical)?
- Who is the primary decision maker and economic buyer?
- What are the primary goals for your competitor's customer?
- For your competitor's customer, what are their daily activities, success metrics, and challenges?
- What organizational functions are involved in the buying decision?

Here are a few places to look for this information.

- **Competitor's website** • **Data analytics and enrichment product** • **Product reviews**

Strategic messaging

Strategic messaging is the most visible part of your marketing, including your copy and brand.

Companies often go into full messaging wars against each other because it gets so easily noticed. You change a headline message on your homepage, then your competitor retaliates with a new message of their own.

Strategic messaging isn't a brand exercise nor is it a copywriting project — it goes beyond conveying feelings and emotions.

Strategic messaging is a value-based communication framework that companies employ in all interactions with stakeholders—employees, prospects, customers, partners and investors. Strategic messaging communicates product value in a way that resonates with each stakeholder involved in the buying journey.

Read your competitor's press releases, analyse their website (including their About Us page), and read their content to understand:

- What story are your competitors communicating to customers?
- How does your competitor position its product?
- How does your competitor describe its value proposition and benefits?
- What words and phrases does your competitor use to describe their company, product, and value?
- What is your competitor's one-sentence company description?

Product Offering and Pricing

After you understand your competitor's customers and messaging, you can move to analysing its product offering. First, outline what your competitor's product can and can't do.

Product Feature Analysis

List all the features that your competitor offers and outline the value that each feature brings to customers. Create a map of your own features and values that overlap with your competitors.

- What are your competitor's core product features?
- What product features are unique to your competitors?
- How do your product features compare to the same features of your competitor? • Does your competitor support multiple environments (e.g., web, iOS, Android)?

Pricing and Average Selling Price (ASP)

- What is the minimum price your competitor charges?
- What is the ASP?
- What are the main factors that impact price (number of seats, volume etc.)?

Product strength / weaknesses

- What are the strengths of your competitor's product?
- What are the weaknesses of your competitor's product?
- How do customers perceive your competitor's product design, quality, and price?

Customer Acquisition Model

- A customer acquisition strategy explains how companies attract and convert prospects into customers.
- How does your competitor market its product?
- Does your competitor offer a free trial or freemium?
- How difficult is it to switch away from your competitor?
- Switching costs
- Unique Barriers to Entry

Channel

You and your competitors are competing for the attention of potential customers. That's why it's useful to know how your competitors use social media channels and paid acquisition channels to reach their target audience.

While digital channels are key in today's marketplace, you also need to pay attention to offline channels like events, meetups, conferences, and direct mail.

This is where the face-to-face interactions occur that are often the key to establishing connections and sealing deals.

You can usually find out information about offline events by visiting the "Events" section of your competitors' websites and also searching for their names in relation to conferences and events on the wider web.

Where do your competitors advertise?

What keywords do they buy on Adwords?

Do they advertise on YouTube, Facebook, LinkedIn, Twitter or other social media platforms? Do your competitors focus on selling in specific verticals?

By following the steps outlined in this guide, you can effectively conduct a competitive analysis:

- Select competitors for analysis, including both direct and indirect competition
- Gain an overview understanding of each competitor
- Figure out how each competitor goes to market and acquires customers
- Analyse the product offering, including features, price, strengths, weaknesses, whether it's offered as a freemium or free trial, and the competitor's overall business model
- Identify the channels competitors use to advertise and deliver their products
- Analyse the satisfaction level of your competitors' customers
- Use all this information to populate your competitive analysis framework and competitor battlecards

Remember:

The idea of a competitive analysis isn't to overly focus on the competition but to understand where your company stands in the marketplace and identify opportunities to further differentiate. At the end of the day, a focus on the customer will serve your company far more than a focus on the competition.

Done well, a competitive analysis can help you find ways to outplay the competition by better serving customers —theirs and yours.

Porters five force model

Michael Porter is the founder of the modern strategy field and one of the world's most influential thinkers on management and competitiveness.

The author of 19 books and over 130 articles, he is the Bishop William Lawrence University Professor at Harvard Business School and the director of the school's Institute for Strategy and Competitiveness, which was founded in 2001 to further his work and research.

What is Michael Porter's theory?

Porter's Five Forces of Competitive Position Analysis were developed in 1979 by Michael E Porter of Harvard Business School as a simple framework for assessing and evaluating the competitive strength and position of a business organization.

This theory is based on the concept that there are five forces that determine the competitive intensity and attractiveness of a market. Porter's five forces help to identify where power lies in a business situation. This is useful both in understanding the strength of an organization's current competitive position, and the strength of a position that an organization may look to move into. Strategic analysts often use Porter's five forces to understand whether new products or services are potentially profitable. By understanding where power lies, the theory can also be used to identify areas of strength, to improve weaknesses and to avoid mistakes.

Porter's Five Forces

Five forces model was created by M. Porter in 1979 help to understand how five key competitive forces are affecting an industry. These forces determine an industry structure and the level of competition in that industry. The stronger competitive forces in the industry are the less profitable it is. An industry with low barriers to enter, having few buyers and suppliers but many substitute products and competitors will be seen as very competitive and thus, not so attractive due to its low profitability. It is every strategist's job to evaluate company's competitive position in the industry and to identify what strengths or weakness can be exploited to strengthen that position. The tool is very useful in formulating firm's strategy as it reveals how powerful each of the five key forces is in a particular industry.

1) Threat of new entrants.

This force determines how easy (or not) it is to enter a particular industry. If an industry is profitable and there are few barriers to enter, rivalry soon intensifies. When more organizations compete for the same market share, profits start to fall. It is essential for existing organizations to create high barriers to enter to deter new entrants.

Threat of new entrants is high when:

- Low amount of capital is required to enter a market;
- Existing companies can do little to retaliate;
- Existing firms do not possess patents, trademarks or do not have established brand reputation;
- There is no government regulation;
- Customer switching costs are low (it doesn't cost a lot of money for a firm to switch to other industries);
- There is low customer loyalty;
- Products are nearly identical;
- Economies of scale can be easily achieved.

2) Bargaining power of suppliers.

Strong bargaining power allows suppliers to sell higher priced or low quality raw materials to their buyers. This directly affects the buying firms' profits because it has to pay more for materials. Suppliers have strong bargaining power when:

There are few suppliers but many buyers;

- Suppliers are large and threaten to forward integrate;
- Few substitute raw materials exist;
- Suppliers hold scarce resources;
- Cost of switching raw materials is especially high.

3) Bargaining power of buyers.

Buyers have the power to demand lower price or higher product quality from industry producers when their bargaining power is strong. Lower price means lower revenues for the producer, while higher quality products usually raise production costs. Both scenarios result in lower profits for producers.

Buyers exert strong bargaining power when:

- Buying in large quantities or control many access points to the final customer;
- Only few buyers exist;
- Switching costs to other supplier are low;
- They threaten to backward integrate; • There are many substitutes;
- Buyers are price sensitive.

4) Threat of substitutes.

This force is especially threatening when buyers can easily find substitute products with attractive prices or better quality and when buyers can switch from one product or service to another with little cost. For example, to switch from coffee to tea doesn't cost anything, unlike switching from car to bicycle.

5) Rivalry among existing competitors.

This force is the major determinant on how competitive and profitable an industry is. In competitive industry, firms have to compete aggressively for a market share, which results in low profits.

Rivalry among competitors is intense when:

- There are many competitors;
- Exit barriers are high;
- Industry of growth is slow or negative;
- Products are not differentiated and can be easily substituted; • Competitors are of equal size;
- Low customer loyalty.

The sixth force

Although, Porter originally introduced five forces affecting an industry, scholars have suggested including the sixth force:

Complements.

Complements increase the demand of the primary product with which they are used, thus, increasing firm's and industry's profit potential. For example, iTunes was created to complement iPod and added value for both products. As a result, both iTunes and iPod sales increased, increasing Apple's profits.

Using the tool

Porter's five forces framework is used to analyse industry's competitive forces and to shape organization's strategy according to the results of the analysis. But how to use this tool? We have identified the following steps:

- Step 1. Gather the information on each of the five forces
- Step 2. Analyse the results and display them on a diagram
- Step 3. Formulate strategies based on the conclusions

Step 1. Gather the information on each of the five forces.

What managers should do during this step is to gather information about their industry and to check it against each of the factors (such as "number of competitors in the industry") influencing the force.

Porter's Five Forces Factors

1) Threat of new entry

- Amount of capital required
- Retaliation by existing companies
- Legal barriers (patents, copyrights, etc.)
- Brand reputation
- Product differentiation
- Access to suppliers and distributors
- Economies of scale
- Sunk costs
- Government regulation

2) Supplier power

- Number of suppliers
- Suppliers' size
- Ability to find substitute materials
- Materials scarcity
- Cost of switching to alternative materials
- Threat of integrating forward

3) Buyer power

- Number of buyers • Size of buyers
- Size of each order
- Buyers' cost of switching suppliers
- There are many substitutes
- Price sensitivity
- Threat of integrating backward

4) Threat of substitutes

- Number of substitutes
- Performance of substitutes
- Cost of changing

5) Rivalry among existing competitors

- Number of competitors
- Cost of leaving an industry
- Industry growth rate and size
- Product differentiation
- Competitors' size
- Customer loyalty
- Threat of horizontal integration
- Level of advertising expense

Step 2. Analyse the results and display them on a diagram.

After gathering all the information, you should analyse it and determine how each force is affecting an industry. For example, if there are many companies of equal size operating in the slow growth industry, it means that rivalry between existing companies is strong. Remember that five forces affect different industries differently so don't use the same results of analysis for even similar industries!

Step 3. Formulate strategies based on the conclusions.

At this stage, managers should formulate firm's strategies using the results of the analysis. For example, if it is hard to achieve economies of scale in the market, the company should pursue cost leadership strategy. Product development strategy should be used if the current market growth is slow and the market is saturated.

Although, Porter's five forces is a great tool to analyse industry's structure and use the results to formulate firm's strategy, it has its limitations and requires further analysis to be done, such as:

- SWOT:
- PEST:

Advantages of Porters Five Forces

- **Five forces** analysis helps organizations to understand the factors affecting profitability in a specific industry.
- To inform decisions relating to:
 - ✓ whether to enter a specific industry;
 - ✓ whether to increase capacity in a specific industry;
- developing competitive strategies

The Blind Spots

- Porter's five forces have several weaknesses. The first is in its composition. As a static model, it provides a snapshot of the wider industry at some point in the past. This can be useful for informing short-term strategy, but the window of applicability for the information coming out of
- Porter's five forces has also been narrowed by rapidly evolving external factors. These are trends like globalization and rapid technological advances that weren't as prominent when Porter devised his framework
- For many industries, the immediate domestic competition – sharing the same challenges of labour, shifting regulatory environments and so on – are less worrisome now than global competitors who can provide goods and services all over the world, thanks to advances in technology and logistics.
- Expanding the intake for the model to consider all the different competitive environments around the world makes the analysis more cumbersome for the return (a snapshot for short-term strategy).
- The other weakness is that a lot of people use Porter's five forces in ways it was never intended. Trying to apply Porter's five forces to a specific company rather than an industry as a whole is the most common mistake. Porter's five forces can provide

information to enlighten strategic discussions, but it isn't an individual-company analysis tool. Business owners are better off using a SWOT analysis for their specific business and Porter's five forces as data input, if at all.

Other Drawbacks

Another challenge in applying Porter's five forces is defining the industry clearly. Companies can straddle multiple industries, depending on their business lines. They can't group companies with similar business lines and call it an industry. Instead, Porter's five forces would be done for each business line and then amalgamated. This is one reason investors tend to frown upon a company that spreads itself too widely because it is challenging for companies to succeed in so many different sectors. That said, the straddle strategy does seem to work well in emerging economies before complexity in the form of regulations and access to capital for competitors pushes companies to focus on industries where they have the biggest edge. Which, of course, goes back to the challenges of applying Porter's five forces in an unevenly globalized market.

Marketing Strategy

A marketing strategy refers to a business's overall game plan for reaching prospective consumers and turning them into customers of the products or services the business provides. A marketing strategy contains the company's value proposition, key brand messaging, data on target customer demographics, and other high-level elements.

Marketing Strategies vs. Marketing Plans

The marketing strategy informs the marketing plan, which is a document that details the specific types of marketing activities a company conducts and contains timetables for rolling out various marketing initiatives. Marketing strategies should ideally have longer lifespans than individual marketing plans because they contain value propositions and other key elements of a company's brand, which generally hold consistent over the long haul. In other words, marketing strategies cover big-picture messaging, while marketing plans delineate the logistical details of specific campaigns. Academics continue to debate the precise meaning of marketing strategy; therefore multiple definitions exist.

- "The sole purpose of marketing is to sell more to more people, more often and at higher prices."
- "Marketing is no longer about the stuff that you make, but about the stories you tell."
- "The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself." (Peter Drucker, credited as founding modern management)
- "Marketing's job is never done. It's about perpetual motion. We must continue to innovate every day."

The Creation of Marketing Strategy

A carefully-cultivated marketing strategy should be fundamentally rooted in a company's value proposition, which summarizes the competitive advantage a company holds over rival businesses. For example, Walmart is widely known as a discount retailer with "everyday low

prices,” whose business operations and marketing efforts revolve around that idea. Whether it's a print ad design, mass customization, or a social media campaign, a marketing asset can be judged based on how effectively it communicates a company's core value proposition.

Market Entry Strategies

Activities associated with bringing a product or service to a targeted market. During the planning stage, a company will consider the barriers to entry, the costs of marketing, sales and delivery, and the expected outcome of entering the market. Strategic planning, due diligence, consistent follow-up, and perhaps most important, patience and commitment are all prerequisites for successful business in India. This market necessitates multiple marketing efforts that address differing regional opportunities, standards, languages, cultural differences, and levels of economic development. Gaining access to India's markets requires careful analysis of consumer preferences, existing sales channels, and changes in distribution and marketing practices, all of which are continually evolving.

India has traditionally been a face-to-face society requiring in-person meetings before an Indian company would formalize a work partnership or agreement. However, the pandemic has forced Indian companies to work and connect with global partners virtually. It remains to be seen whether Indian companies will shift their mentality to consider finalizing a business deal in a virtual environment

There are a variety of ways in which a company can enter a foreign market. No one market entry strategy works for all international markets.

Direct exporting may be the most appropriate strategy in one market while in another you may need to set up a joint venture and in another you may well license your manufacturing. There will be a number of factors that will influence your choice of strategy, including, but not limited to, tariff rates, the degree of adaptation of your product required, marketing and transportation costs.

While these factors may well increase your costs it is expected the increase in sales will offset these costs.

Direct Exporting: Direct exporting is selling directly into the market you have chosen using in the first instance you own resources. Many companies, once they have established a sales program turn to agents and/or distributors to represent them further in that market. Agents and distributors work closely with you in representing your interests. They become the face of your company and thus it is important that your choice of agents and distributors is handled in much the same way you would hire a key staff person.

Licensing: Licensing is a relatively sophisticated arrangement where a firm transfers the rights to the use of a product or service to another firm. It is a particularly useful strategy if the purchaser of the license has a relatively large market share in the market you want to enter. Licenses can be for marketing or production.

Franchising: Franchising is a typical North American process for rapid market expansion but it is gaining traction in other parts of the world. Franchising works well for firms that have a repeatable business model (e.g. food outlets) that can be easily transferred into other

markets. Two essentials are required when considering using the franchise model. The first is that your business model should either be very unique or have strong brand recognition that can be utilized internationally and secondly you may be creating your future competition in your franchisee.

Partnering: Partnering is almost a necessity when entering foreign markets and in some parts of the world (e.g. Asia) it may be required. Partnering can take a variety of forms from a simple comarketing arrangement to a sophisticated strategic alliance for manufacturing. Partnering is a particularly useful strategy in those markets where the culture, both business and social, is substantively different than your own as local partners bring local market knowledge, contacts and if chosen wisely customers.

Joint Ventures: Joint ventures are a particular form of partnership that involves the creation of a third independently managed company. It is the 1+1=3 process. Two companies agree to work together in a particular market, either geographic or product, and create a third company to undertake this. Risks and profits are normally shared equally.

Turnkey Projects: Turnkey projects are particular to companies that provide services such as environmental consulting, architecture, construction and engineering. A turnkey project is where the facility is built from the ground up and turned over to the client ready to go – turn the key and the plant is operational. This is a very good way to enter foreign markets as the client is normally a government and often the project is being financed by an international financial agency such as the World Bank so the risk of not being paid is eliminated.

Greenfield Investments: Greenfield investments require the greatest involvement in international business. A greenfield investment is where you buy the land, build the facility and operate the business on an ongoing basis in a foreign market. It is certainly the costliest and holds the highest risk but some markets may require you to undertake the cost and risk due to government regulations, transportation costs, and the ability to access technology or skilled labour.

Recent trends in marketing of investment products/services

Marketing is in a constant state of disruption as new channels, tools, and technologies enter the market. This is even more crucial for financial organizations, who must market in ways that build trust, creating meaningful connections with consumers rather than simply pushing products at them. As a result, financial digital marketing trends evolve to address challenges in the marketing of financial services and tend to reflect new ways to improve communication, add convenience, and connect on an individual level.

Machine Learning: Machine learning enables automated marketing of financial services for both prospects and existing customers. For prospects, machine learning allows you to use data you can collect from social media, browsers, or even what's shared during initial sign-ups to create custom marketing campaigns, products, and solutions for that individual.

For example, data-driven marketing allows you to collect information based on searches the prospect made to find your site, what they clicked on the site, and use that to predict what to

show or highlight to guide the prospect further. Someone looking up a specific service could then be directed to that service and to more information on it, rather than having to wade through the often-vast complexity of a banking website.

This same type of machine-driven learning applies to track, as well as cross-channel marketing. Individuals leaving one platform and moving to another can be greeted with more information based on where they came from, creating a more seamless and intuitive experience.

Mobile Marketing for Financial Marketing: Mobile marketing is undoubtedly growing, but utilizing it is quickly becoming a financial services marketing trend you cannot ignore. This applies to mobile marketing in the form of applications and mobile-friendly websites, but also geo-location, in-app notifications and rewards, and support for tools like voice search.

For example, big banks like JP Morgan are creating Alexa-tools, enabling customers to ask questions about their finances and marketing right in Alexa. Geolocation allows banks to collect data based on most-used branches, locations where money is most-often spent, and eventually use automation to predict those locations.

This technology can be (and often is) used for fraud reduction but can also be used to push personalized local offers. Of course, you do want to ensure opt-ins before utilizing this type of information, as some customers find location tracking to be invasive.

Chatbots: Chatbots in financial services are becoming more valuable as they tie into other technologies such as RPA and big data, allowing banks to program automation to add customer value. Here, a good chatbot can function as a 24/7 customer assistant, helping customers with questions, opening accounts, checking account balance, and otherwise managing their account. When questions become too complex or require human management or aid, chatbots can simply transfer the individual to a human assistant, seamlessly functioning as Line 1 customer service.

This naturally reduces the cost of customer service for the bank, it also offers convenience for most customers – providing the chatbot is a high-quality one. Why? Chatbots are available 24/7, reducing the need to wait for customer service to be online, reducing the need to call, and improving customer’s ability to quickly get information with very little effort involved.

Use Micro-Demographic Targeting to Market Financial Services: Micro-targeting is a growing trend across all areas of marketing but can add unique value to finance. With more in terms of data, financial organizations can create extremely powerful modular marketing campaigns, which are then automated and delivered based on specific consumer needs.

This kind of platform allows you to use an “If This, Then That” approach to marketing, where prospects see specific information based on available data they have shared. While data on new prospects will, of course, be limited, campaigns can include retargeting, predictive analytics, and dynamic pricing to offer individual rates, quotes, and approval, before the individual ever becomes a customer.

Human Experience Is Expected in Financial Marketing: Automation and machine learning are certainly on the rise, but neither reduce the need for human experience. Modern

customers expect their organizations to be human in the sense of offering personal and friendly service, connecting with them as individuals, and working to provide human contact as part of marketing. This may involve tactics such as assigning one or two support representatives per prospect so that they always talk to the same person.

It may also involve creating live meetings and talking with potential customers one-on-one (when account volume is large enough to account for the cost). It can also mean working to curate a marketing-team mindset of being as friendly, helpful, and human-driven as possible. Ultimately, when mapping out the customer experience in banking or any other financial organization, human contact cannot be left out.

Customer Outreach, an Ever-Evolving Financial Services Marketing Trend: Customer outreach is quickly growing as one of the most utilized financial services marketing trends because it allows financial organizations to reach marketing goals of brand awareness while benefiting the community at large. Customer outreach can include simple workshops, one-on-one sessions, long-term financial literacy courses at schools, and much more. However, it does allow you to literally reach out to the community, connect with them in a direct way, and offer something in return.

Here, your goal should be to fill a need or solve a problem, typically without pushing your products or services. Customer awareness and trust are often enough of a payoff. However, you can follow up sessions with enrolment to learn more, discounts for consumers who took a session should they choose to sign up for an account (related to the session) and offer specific help in getting new customers to actualize what they learned. This will vary a great deal depending on the direction you take for customer outreach but can pay off a great deal.

The Role of Personalization in Financial Marketing: Personalization ties into nearly every modern marketing trend, with consumers demanding more individual experiences, more personalized products, and more human connection. While this doesn't mean you have to create individual banking packages for each customer, it does mean that products, services, pages, and customer support should be tailored to the individual. Here, machine learning and automation can be extremely valuable in making it possible without exponentially increasing costs.

Personalized marketing includes offering dynamic quotes and pre-approval, taking the individual financial situation into account when creating accounts and offering rates, and treating individuals like the people they are. This will involve most of the financial marketing trends, as most tie into personalization a great deal.

Social Media Marketing

Social media marketing is the use of social media platforms to connect with your audience to build your brand, increase sales, and drive website traffic. This involves publishing great content on your social media profiles, listening to and engaging your followers, analysing your results, and running social media advertisements. The major social media platforms (at the moment) are Facebook, Instagram, Twitter, LinkedIn, Pinterest, YouTube, and Snapchat. There are also a range of social media management tools that help businesses to get the most

out of the social media platforms listed above. Whether you want to build a brand or grow your business, we want to help you succeed

Overview of Social Media Marketing

Social media marketing first started with publishing. Businesses were sharing their content on social media to generate traffic to their websites and, hopefully, sales. But social media has matured far beyond being just a place to broadcast content. Nowadays, businesses use social media in a myriad of different ways. For example, a business that is concerned about what people are saying about its brand would monitor social media conversations and response to relevant mentions (social media listening and engagement). A business that wants to understand how it's performing on social media would analyse its reach, engagement, and sales on social media with an analytics tool (social media analytics). A business that wants to reach a specific set of audience at scale would run highly-targeted social media ads (social media advertising).

As a whole, these are often also known as social media management.

Core Pillars of Social Media Marketing

- Strategy
- Planning and Publishing
- Listening and Engagement
- Analytics and Reporting
- Advertising

1. Strategy

Before you dive right in and publish something on social media, let's take a step back and look at the bigger picture. The first step is to think about your social media strategy.

- What are your goals?
- Which social media platforms do you want to focus on?
- What type of content do you want to share?

2. Planning and Publishing

Publishing to social media is as simple as sharing a blog post, an image, or a video on a social media platform. It's just like how you would share on your personal Facebook profile. But you will want to plan your content ahead of time instead of creating and publishing content spontaneously. Also, to ensure that you are maximizing your reach on social media, you need to publish great content that your audience likes, at the right timing and frequency.

3. Listening and Engagement

As your business and social media following grow, conversations about your brand will also increase. People will comment on your social media posts, tag you in their social media posts, or message you directly. People might even talk about your brand on social media without letting you know. So you will want to monitor social media conversations about your brand. If it's a positive comment, you get a chance to surprise and delight them. Otherwise, you can offer support and correct a situation before it gets worse. You can manually check all your notifications across all the social media platforms but this isn't efficient and you won't see posts that didn't tag your business's social media profile. You can instead use a social

media listening and engagement tool that aggregates all your social media mentions and messages, including posts that didn't tag your business's social media profile

4. Analytics

Along the way, whether you are publishing content or engaging on social media, you will want to know how your social media marketing is performing.

- Are you reaching more people on social media than last month?
- How many positive mentions do you get a month?
- How many people used your brand's hashtag on their social media posts?

5. Advertising

When you have more funds to grow your social media marketing, an area that you can consider is social media advertising. Social media ads allow you to reach a wider audience than those who are following you. Social media advertising platforms are so powerful nowadays that you can specify exactly who to display your ads to. You can create target audiences based on their demographics, interests, behaviours, and more. When you are running many social media advertising campaigns at once, you can consider using a social media advertising tool to make bulk changes, automate processes, and optimize your ads.

E-MARKETING

- A) Introduction to E- marketing** – Meaning, Objectives, Features, Scope, Benefits, Problems and Techniques
- B) E-marketing tools** – Introduction, Objectives, E-mail Marketing, Creating a Website, Social Media Marketing, Pay Per Click Advertising, Search Engine Optimization, Blogging and Classified Advertising
- C) Application of E- marketing-** Introduction, Objectives, Online Advertising, Direct Response Medium, Role of Distribution in E-marketing, Lead Generation Platform, Customer Service Mechanism and Relationship Building Medium.

What is e-marketing?

E marketing means using digital technologies to help promote and sell your goods or services. It is not just about selling goods over the web. These technologies, like e mail and websites, are a valuable complement to traditional marketing methods whatever the size of your company or your business model. The basics of marketing remain the same – creating a strategy to deliver the right messages to the right people. What has changed is the number of options you have. Today the buzz words are “multi-channel integration”.

Simply put, e marketing gives you lots of new ways to reach your customers, many of them cheaper and more effective than traditional channels. The benefits it is no exaggeration to describe e marketing as a revolution for the marketing industry. For the first time, it gives businesses of any size access to the mass market at an affordable price and, unlike TV or print advertising, it allows truly personalized marketing.

Specific benefits of e marketing include:

Global Reach

Lower Cost

Traceable, Measurable Results

24-hour Marketing

Shorter Lead Times

A Level Playing Field

Personalization

One-to-one Marketing

More Interesting Campaigns

Better Conversion Rate

Objects of an Online Business (Clicks Business)

- To inform users of your web presence and the benefits your business offers over its competitors (your USP - unique selling point).

- To persuade users to use the services of the firm. This could be done by offering a discount for a limited time.
- To make sure the business is listed in most popular search engines and directories (seo - search engine optimization).
- Keep customers updated about new products and changes to business services.
- Make sure that customer have a pleasant website experience by continuously improving the navigation of the site.
- To increase market share over a specified period.

Features of E-Marketing

- Online marketing is a process consisting of inter-related steps: setting corporate and business unit strategy, framing the market opportunity, formulating the marketing strategy, designing the customer's expectations, developing the marketing programme and evaluating the results of the same.
- Online marketing makes use of the web and related digital technologies. These technologies consist of the internet media and digital media such as wireless, cable, satellite.
- The global online marketing aims at maintaining an everlasting relationships with customers.
- Exchange concept is the core of online marketing. The effectiveness of online marketing programme depends upon the overall impact of exchange. Marketing firms must be sensitive to the cross channel effects of online and offline marketing programmes.
- Online marketing aims at securing the goals of both the seller and the buyer. Only when the interests of both the parties are well served, exchange becomes complete.

E-Marketing Advantages

- Instant Response.
- Cost-efficient.
- Less Risky. .
- Greater Data Collection.
- Interactive.
- Way To Personalized Marketing.
- Greater Exposure of Your Product.
- Accessibility.

Disadvantages of E-Marketing

- Technology Dependent.
- Worldwide Competition.
- Privacy & Security Issues.
- Higher Transparency & Price Competition.
- Maintenance Cost.

Scope of E-Marketing

Before development of e marketing, the term digital marketing was used in 1990s. The fast growth of digital media found new trends and opportunities in marketing and advertising fields. Digital marketing is also called the online marketing, internet marketing and web marketing. Digital marketing has been popular in all over the world. The term online marketing is still popular in US. It is popular as 'web- marketing' in Italy. In UK and other countries, it is used as 'digital marketing'. The process of taking place of products and services by the computer networks on internet, is called Electronic commerce (E-commerce or e-Commerce). The electronic commerce includes various technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online-transaction, inventory management-systems processing, electronic data interchange (EDI), and automated data collection systems.

Modern electronic commerce typically uses the World Wide Web although it may also use other technologies such as e-mail. E-marketing includes email, websites and micro sites, search engine advertising, search engine optimization, co-registration, mobile marketing, and other technology driven tools. E-commerce covers the various aspects as Enabled by website, create virtual shops, Create customer data bank, Provide for business-to-business exchange of data, Contact customers by e-mail or fax, Use business-to-business buying and selling, Defies all barriers of time and space.

Scope of E-Marketing:

E-marketing has global applicability. It covers almost all types of business namely, agricultural, industrial, medical tourism, governance, Education and so on. There are some common applications of e-marketing as Document automation, payment systems, content management, group buying, Online banking, shopping and order tracking, Teleconferencing, Electronic tickets which have become common with large and small businesses alike.

What is social media marketing?

Social media marketing is the action of creating content to promote your business and products on various social media platforms such as Facebook, Instagram, and twitter. Your unique content should be tailored to the specific platform it's being shared on to help you boost conversions and increase brand awareness. Social media marketing is all about meeting your target audience and customers where they are and as they socially interact with each other and your brand. While social media marketing as a whole is incredibly valuable and beneficial to your business growth (as you'll see in the following section), your strategy will differ based on **which social networks your audience spends their time on.**

Facebook

Users: 1.73 billion *daily* active users worldwide

Audience: Generation X and millennials

Industry impact: B2C

Best for: Brand awareness; advertising

Twitter

Users: 126 million *daily* active users worldwide

Audience: Primarily millennials

Industry impact: B2B and B2C

Best for: Public relations; customer service

Instagram

Users: 1 billion *monthly* active users

Audience: Primarily millennials

Industry impact: B2C

Best for: Natural-looking media, behind-the-scenes, and user-generated content; advertising

LinkedIn

Users: 675 million *monthly* active users worldwide

Audience: Baby boomers, Generation X, and millennials

Industry impact: B2B

Best for: B2B relationships, business development, and employment marketing

YouTube

Users: Over 2 billion logged-in *monthly* users worldwide

Audience: Millennials, closely followed by Generation Z

Industry impact: B2C

Best for: Brand awareness; entertainment, and how-to videos

Snapchat

Users: 229 million *daily* active users worldwide

Audience: Primarily Generation Z

Industry impact: B2C

Best for: Brand awareness; advertising

Pinterest

Users: 367 million *monthly* active users worldwide

Audience: Primarily older millennials and younger baby boomers

Industry impact: B2C

Best for: Visual advertising; inspiration

Benefits of Social Media Marketing

- **Increase brand awareness:** Due to the sheer amount of people on social media, you can see why ensuring your business is sharing content related to your products as well as details about your company via a platform or two has the potential to help you improve **brand awareness**. In fact, social media has been proven to **boost brand awareness** by driving up engagement. Social engagement includes things like comments, likes, shares, and re-posts. Social media also helps you increase brand awareness by directing traffic straight to your site. You can do this by including direct links to your website in your profile, bio, and posts
- **Generate Leads and Boost Conversions:** Promoting and sharing your products on social media is a simple way to **improve lead generation**, boost conversions, and increase sales because you're advertising to people who have opted to engage with you by following your account. Here are some examples of ways you can use social media to generate more leads. Create contests for your visitors and followers to participate in on your social media profiles, Include links to your website and offers in the bio sections of your profiles, Host live videos to make announcements about products and provide updates or details about exciting news at your company, Implement a social media marketing campaign on one of your channels, Sell your products through your social profiles. For example, you can enable Facebook's Shop Section or Instagram's Shopping feature on your profiles. These features allow your visitors and followers to click on products you've shared in posts to view information such as price, material, and size. Then, visitors can easily proceed to checkout through the platform and buy the product directly from you.
- **Foster Relationships with Customers:** By connecting and engaging with your social media followers, you'll be able to build lasting relationships between them and your business. You can do this by interacting with them on your posts, responding to their questions and comments, and providing them with any help they may need. You can also ask your followers questions about your products, their pain points, or create giveaways to help you build trust and show them how much you value their input and support.
- **Learn From Competitors:** Social media is a great way to keep tabs on your competitors — whether that's in reference to their social media tactics, the products they're promoting, the **campaigns** they're implementing, or their level of interaction with followers. Social media allows you to get a look at what is and isn't working for your competition, and therefore helps you decide what should or shouldn't change in terms of *your* company's approach. Lastly, reviewing the social accounts of your competitors can help you make sure your marketing stands out and is unique to your brand.

How to Create a Social Media Marketing Strategy

- Research your buyer personas and audience
- Determine which social platforms you'll market on
- Create unique and engaging content
- Organize a schedule for your posts

- Analyse your impact and results

Pay-Per-Click Advertising

PPC is an online advertising model in which advertisers pay each time a user clicks on one of their online ads. In pay-per-click advertising, businesses running ads are only charged when a user actually clicks on their ad, hence the name “pay-per-click.”

How Does Pay-Per-Click Advertising Work?

In order for ads to appear alongside the results on a search engine (commonly referred to as a search engine results page, or SERP), advertisers cannot simply pay more to ensure that their ads appear more prominently than their competitor’s ads. Instead, ads are subject to what is known as the ad auction, an entirely automated process that google and other major search engines use to determine the relevance and validity of advertisements that appear on their serps.

How Keywords Work in Pay-Per-Click Advertising

As its name implies, the ad auction is a bidding system. This means that advertisers must bid on the terms they want to “trigger,” or display, their ads. These terms are known as keywords.

Say, for example, that your business specializes in camping equipment. A user wanting to purchase a new tent, sleeping bag, or portable stove might enter the keyword “camping equipment” into a search engine to find retailers offering these items.

At the moment the user submits their search query, the search engine performs the complex algorithmic calculations that the Ad Auction is based upon. This determines which ads are displayed, in which order, and by which advertiser. Since you have to pay for each click on your ads, it's imperative to only bid on keywords that are relevant to your business, so you can be sure to get ROI from your ad spend. A keyword tool can help you find the right keywords to bid on that are both likely to drive sales or conversions, and are not prohibitively expensive.

Email Marketing

Email marketing is the use of email to promote products or services while developing relationships with potential customers or clients.

It is essentially direct mail done electronically instead of through the postal service.

What Is Email Marketing

Anytime a company sends out an email, aside from order confirmations and direct responses to customer questions, it could be considered a form of email marketing. Email marketing is one segment of internet marketing, which encompasses online marketing via websites, social media, blogs, and more. Email marketing can include newsletters with updates on the company, or promotions of sales and exclusive deals for subscribers. Marketing emails may also seek to share a general message on the company's behalf, such as in the wake of a natural disaster or company scandal. At its best, email marketing allows businesses to keep their

customers informed and tailor their marketing messages to their audience. At its worst, this kind of marketing can drive customers away with persistently annoying spam emails.

How Email Marketing Works

It's easy to set up and track an email marketing campaign, which makes it accessible for small businesses. You can add a newsletter sign-up option to your website, for instance. As people sign up, you can send newsletters to a growing audience. You can also direct customers to the newsletter from your social media profiles. A regular newsletter is a simple and effective way to send updates about your company, upcoming events, and special offers. Email software also makes it easy to schedule automated promotional emails for customers who haven't purchased recently. Email marketing allows you to target particular groups of customers or even specific individuals. Offering individual customers special birthday deals on merchandise or services is one way to do this.

A restaurant, for instance, might send an email to customers on their birthdays offering 50% off an entree. This kind of personalization helps a business develop and maintain a relationship with a customer—and that can lead to increased sales and customer loyalty.

Email Marketing Remains Relevant

In the age of social media, it's tempting to write off email. However, there is statistical evidence that it remains an important aspect of marketing efforts. One survey found that 59% of respondents were influenced by email when it came to purchasing decisions. A study of more than 1 billion shopping sessions in 2019 found that email marketing has a conversion rate of 2.3%, compared to 1% for social media. One huge advantage of email over social media is that customers are more likely to see an email than social media. Just posting something on social media doesn't mean that everyone you want to see your message will see it. However, an email will sit in an inbox until its read (or deleted). Ideally, email marketing should go hand in hand with social media. Adding social media "Like" or "Share" buttons to your marketing emails gives an additional way for customers to connect with your brand. Snippets of positive reviews from social media fans can be included in emails, and social media posts can drive customers to your email newsletters.

Email Marketing Strategies

- Build Your Own List
- Follow the Law
- Mix Up Your Messages
- Respect Your Subscribers
- Follow a Schedule
- Optimize for Mobile

Classified advertising

Classified advertisement is a small message or advertisement that is placed in newspapers, magazines or periodicals. These messages are generally grouped under specific headings, also called classifications, in a separate section. Classified advertisements are comparatively low-cost ads. Recent times have also seen classified advertisements on websites, social media networks such as Facebook as well as on smartphones and tablets.

History of classified advertisement

The earliest known form of public notice is in 2000 BC when ancient Egyptians carved public notices into steel. This was the earliest recorded form of outdoor advertising. The Egyptians also made use of papyrus to make wall posters and sales messages.

However, the form of classified advertisement which we know today was first recorded in 1704 when the first newspaper advertisement was placed in the Boston news-letter, on the lookout for a buyer for an Oyster Bay, long island estate.

Types of Classified advertisement 1. Regular Classified advertisement

They are normal text advertisements and are charged per letter or line or column. They are typically a column wide, have no graphics, and are typeset by the publisher of the print media.

2. Classified Display Advertisement

These types of advertisement also include a logo or a visual image and have a border surrounding the text advertisement. They are typically priced more than the regular classifieds and are charged on per column centimetre or per square centimetre basis.

3. Display classified advertisement

This is the costliest kind of classified advertisement as it has the maximum impact. The minimum size of the advertisements is 3 centimetres and it can be of any size in height and width. Advertisers can also choose to have their display classified ads in colour too.

All the above kinds of classified advertisements can further be divided into the following categories:

1. Recruitment

Though recruitment advertisements are extremely popular in display advertising, it is equally popular in classified advertisement too. Advertisements under ‘Situations Vacant’ heading are an apt medium for small and medium-sized businesses to attract job applicants. A spin-off of Situations Vacant is “Situations Wanted” classified ads, where job applicants describe their skills and qualifications.

2. Property

Classified advertisements are one of the most effective advertisement methods for sale, purchase or rent of houses or other properties by individual property owners, landlords or even property brokers. However, we must remember here that advertisements for Real Estate projects do not come under classified advertisements.

3. Obituary

Obituary messages are another common kind of classified advertisements, which allow advertisers to add images of the departed along with a message. Advertisers also used classified advertisements to place condolence messages, funeral invitations, and Remembrances.

4. Matrimonial

This is one of the most common kinds of classified advertisements found in India. Here, parents or a close family member places a text advertisement or a classified display that consisting of an image of the prospective bride or groom and seeks for a prospective match.

5. Business

A lot of small and medium-sized businesses choose classified advertisements to advertise. Statistics say that 80% of business promotional campaigns choose newspaper advertising as their first choice. Common kinds of business classified advertisements are Business Proposals and offer, Sales promotions and ads seeking Business partners.

6. Announcements

Though Matrimonial advertisements are the leading type of classified advertisement, announcement classified advertisements are a close second. They include personal announcements like Name or Address Change, legal notifications, Lost & Found and marriage notices. Placed by individual advertisers, these are primarily intended for personal or government references.

7. Education

A lot of educational advertisements can also be found under the classified ad section. It is mostly used by coaching centres, who have a small budget, and thus prefer to introduce or promote their coaching classes.

8. Personal

This is the last kind of classified advertisement and includes personal messages such as Birthday wishes, messages about personal achievements, season's greetings and others similar messages.

These are placed by individuals in a personal capacity.

Advantages of Classified Advertisements

One of the first advantages of this kind of advertisement is its low cost when compared to other forms of advertising. This low cost might allow small and medium businesses to effectively advertise their products or service while not burning a hole in their pockets. This kind of advertisement has a wide reach. Classified ads placed in newspapers or magazines can be seen by everyone reading them while classified ads placed on online websites will be seen by every website visitor. Since the advertisements are short and simple, they are easy to create and need no rocket science. No need for copywriters to write these! Some Online classified advertisement allows interested consumers to directly contact the advertisers, either by clicking on a link or sending a text or e-mail.

Disadvantages of Classified advertisement

Like any other forms of advertisements, Classified advertisements have their own set disadvantages too. Some of these disadvantages are listed below:

Since a particular newspaper or magazine is not read by everyone, businesses can miss out on potential target clients by placing their classified advertisements in a select few newspapers or magazines. Same is the case for websites – which might not be visited by all target

consumers. Hence, advertisers might have to place their ads on all possible newspapers/magazines or websites in order to reach a wide base of consumers and thus increase their advertisement costs. The ads have to compete against their competitors – who might place their advertisements next to yours!

Classified advertisements have a short life as they are read only once. Hence, advertisers need to consistently keep on advertising their product or service.

Advertisers might be paying for advertising to people who may never be their target consumers

Online Advertising

Online advertising is any type of marketing message that shows up with the help of the Internet. That means it could appear in a web browser, search engine, on social media, on mobile devices, and even in email. Savvy advertisers are increasingly making use of this forum for reaching consumers, for a number of reasons:

It's relatively inexpensive

It reaches a wide audience

It can be tracked to measure success (or failure)

It can be personalized for a target audience

Indeed, online advertising is only growing in scope, as new avenues for marketers pop up (think ads delivered through text message or marketing messages delivered to users in a certain area, known as geo-targeting). But, while some of the ads are less common or just gaining traction, there are plenty that we're exposed to multiple times every day. Let's take a look at some of the most popular types of online advertising.

Types of Online Advertising

Whether you're surfing the web or just checking your email, you can't really get away from advertisements delivered in a digital setting. Here are some of the most popular types.

1. Native Advertising: This term is associated with more unconventional online advertising. In other words, it uses a strategy which shies away from banner formats or sponsored content in an attempt to win a user's trust by offering them solutions to their problems.

There are many tools you can use but the easiest of them all is to create a blog. In your blog, talk about topics related to the sector, but not solely about advertising; include something useful and interesting for your users.

From there, using SEO, email marketing and lead nurturing, you can successfully offer the right content in whichever stage of the sales funnel potential clients may find themselves. The best thing about these formats is that they're in no way intrusive and, therefore, are more highly valued by both the general public and by those who resort to using ad blockers.

2. SEM (Search Engine Marketing): With this type of campaign, the goal is to achieve increased brand awareness in a very short amount of time. All it takes is an ad with a title, a description and a call to action; not to mention, make sure to heavily rely on the use

of keywords. Depending on the quality of the website and the established CPC, the ad will be shown when users type in your preselected keywords into a search engine. In this case, a bid (usually) based on CPC is established.

3. Display Advertising: Among the more ‘visual’ online advertising formats are display ads. They are called this because they, generally, contain images or videos and are published on designated places within any given website. It could be a blog, journal or a site aimed at a specific group. The purchase can be direct or through platforms such as Google Adwords. **4. Mobile Advertising:** Although there are many formats of mobile advertising, it’s recommended that all advertising campaigns should also be adapted to mobile platforms or at least follow a responsive typology which allows for pages to be formatted to the size of any given screen. Nowadays, everyone has a phone and/or a tablet that they constantly use. Moreover, they use these devices to access the internet. In fact, as of 2016, Google said mobile traffic has now surpassed that of desktop computers. Therefore, if you’re still not investing in mobile platforms, it’s time to take the plunge. Not only will you get both a better reach and an improved user interaction but, in a complimentary way, you’ll improve your SEO by way of Google’s Mobile First algorithm in ads you show on your own website.

5. Social Ads: Social media is an incredibly important part our everyday lives; it is made up of channels through when people connect multiple times a day and where they frequently communicate, share and give opinions. Creating ad campaigns on these platforms, therefore, is necessary for generating brand awareness and for acquiring potential new clients. Furthermore, thanks to wide segmentation possibilities social networks offer, they can also be the perfect places to launch new products/services geared towards very specific audiences. Moreover, regardless if your goal is to make conversions or to implement a branding strategy, Social Ads are a great choice!

6. Retargeting and Remarketing: Reminding repeat customers/users who have shown interest in your company is a solid strategy for making conversions. Remarketing works to make your banner appear on the whichever website those who have previously visited your website are actively visiting (provided that these sites offer remarketing spaces). These types of ads are good for making sales but also are helpful in gaining brand awareness, which improves a company’s presence within the consumer’s buying process. It can be purchased through search engine advertising management tools such as Google Adwords. The price, in this case, is usually established by CPC metrics.

7. Email Marketing: This format of marketing isn’t anything new but it *has* resurfaced with a renewed potency. This type of campaign in Spain yields among the highest numbers of conversions in Europe. Thanks to the many automatization tools available, you can achieve highly profitable conversion goals. Finally, If you consider that getting a new client it is over 7 times more expensive than maintaining a current one, you can be sure that email marketing is a grand idea.

8. Digital Signage: Although the name may be not as well known, it’s slowly creeping in to the lives of users and will soon to be a shared reality in the coming years. To put a definition with the name, we could say that this is the technological evolution of traditional outdoor advertising. They are used on billboards, MUPIs, window displays, telephone booths or any other stand that has a screen. The efficiency of this type of advertising resides in its capability to grab the attention of potential clients during the most mundane parts of their day.

9. Videos Marketing: Video content is an incredibly entertaining resource for users. This being said, using videos as an advertising strategy is a fantastic idea. Another idea is to

partner up with YouTubers who feature and discuss your product/service (similar to native advertising). You can also come up with original video content to help you get a better and more organic position on SEO. Furthermore, by sharing these videos, you can gain more direct web traffic and increase your chances of one or more of them going viral. With videos, there are countless possibilities, even more so if you bear in mind that soon, if not already, an estimated 80% of the internet will be video-based content.

Direct Response Medium

Direct response is a type of marketing designed to elicit an instant response by encouraging prospects to take a specific action. Direct response advertisements must trigger immediate action from prospects, since the goal is to generate leads quickly. In contrast to traditional marketing, which aims to raise brand awareness and promote brand image long term, direct response shows ROI immediately.

Marketers can leverage direct response on any numbers of channels, including TV, print, radio, email, digital and social. Each direct response campaign should have a specific goal — sign up, share with contacts, register, etc.— and, in exchange, provide prospects with an irresistible offer.

Key Elements of Direct Response Ads

There are a few key differentiators between direct response advertising and other types of campaigns; the main distinction being the goal of driving a specified action. In order to lead a successful direct response campaign, your advertisements should include the following elements: **Customer Centricity**

In order to get consumers to respond to your ad, they need to know that it's beneficial to them. Focusing on the brand will not get consumers to respond to your ads. Focusing on consumer problems or on things they care about will yield better results. This could include offering a white paper on a topic in their field or encouraging them to opt-into a newsletter list with valuable content.

Personalization and Targeting

How well do you know your customers and do you know what they will respond to? Targeting your ads to specific groups so you can personalize the message will generate the best results; 80 percent of consumers say they are more likely to do business with a brand that offers personalized interactions.

A Clear CTA

Since a direct response is defined as an ad that calls viewers to do something, the offer is a crucial part of the advertisement. Effective direct response advertising may not aim to sell the prospect a good or service at the moment, but instead may be trying to encourage the next action, such as: download a white paper, sign up for the newsletter, attend an event.

Direct response ads with high conversion rates need singular, clear, easily accessible calls to action (CTAs) so that consumers know exactly what action to take.

Urgency

A sense of urgency inspires consumers to act quickly, increasing conversion rates. Direct response ads should emphasize urgency by using techniques like scarcity (“while supplies last”), time limits (“discount code expires on Sunday”), and competition (“whoever gets the most social shares receives a prize”).

Benefits of Direct Response Marketing

Direct response marketing delivers numerous benefits because of the quick ROI and high-volume lead generation. Additional benefits include:

Easily Track and Measure: Since direct response ads have unique correlated actions, it’s easy to see how many prospects and leads come from each campaign. This is key to optimizing marketing strategy; knowing which ads and media are most effective allows you to allocate resources to those techniques that translate into ROI.

Identify Interested Prospects: Consumers who respond to direct response ads have opted in, giving sales teams a list of prospects who have shown interest in your brand or product. This helps sales teams focus on driving interested prospects through the sales funnel instead of wasting time on cold leads.

Establish Direct Lines of Communication: Direct response ads help form stronger relationships with prospects and potential customers by establishing direct lines of communication with them. In successful direct response campaigns, your prospects are looking to be contacted by your brand with information they find useful. Having prospects who want to be contacted by you versus having a list of contacts you’ve collected is a big differentiator when trying to close sales deals.

Best Practices for Direct Response

Launching successful direct response campaigns requires sophisticated consumer data and analytics so that ads are personalized and delivered on the right channels at the right times to generate maximum ROI. Other best practices include:

Make the Response Easy

Consumers are less likely to fill out forms with a high number of fields to get to a white paper or wait on a phone line for more information. Thus, make it easy and quick for your consumers to respond to your ad and your conversion rates will increase.

Make the Call to Action Specific

Part of making the response easy for consumers is incorporating a specific, clear CTA. The desired next action should be immediately recognizable; let the consumer know exactly what they need to do and how to do it. For example, if the goal of the campaign is to have people opt in to your newsletter, only include a CTA button for this action, as additional CTAs (say, promoting your social channels) will distract from the goal.

Use Compelling Copy

Consumers are bombarded by advertisements—most Americans see between 4,000 and 10,000 ads every single day—and have learned to ignore most of them. In order to stand out and grab attention, your direct response ads need to use compelling copy and, if applicable, gripping subject lines.

Ad copy should be as personalized as possible, targeted strategically by channel and medium, and simple enough that consumers can quickly understand what you're offering.

Follow Up

Since many of these campaigns are offering value instead of focusing on the final purchase, make sure your sales and marketing teams are clear on how to engage prospects further, moving them down the funnel. Will these leads be placed into a 'nurture' campaign or will sales follow up directly? Establishing next steps is crucial when setting up your direct response campaigns.

Examples of Direct Response

Direct response isn't limited to emails or social. These are numerous ways companies can engage with their audiences to encourage a response:

Harry's Referral Program

Harry's has been a leader in the men's shaving space and has risen to prominence by focusing on content and direct marketing. One of their key campaigns centered around their refer a friend program. The response was simple: Refer a friend to Harry's and receive free products and other promotions.

Land Rover's Direct Mail Invites

When Land Rover opened its Liverpool showroom, they sent 100 customers a balloon invitation to the opening event. At the end of the balloon was the invitation, encouraging them to attend.

Proactiv's Infomercials

In 1993, during acquisition negotiations with Neutrogena, the founders of Proactiv balked at the idea of using infomercials to bring their product to market, viewing them as cheesy. While negotiations with Neutrogena eventually fell through, Proactiv ended up adopting infomercials that advertised limited-time deals like free face moisturizer with immediate purchase. These types of infomercials have been extremely lucrative for Proactiv; by 2015 Proactiv reached \$1 billion in sales.

Effective Channels for Direct Response

The following channels are great avenues for direct response advertising:

Direct Mail

In the age of the internet, most people enjoy receiving postal mail as long as they don't view it as junk. Team with your creative team to create memorable direct mailers so that when recipients open their mailbox, they're driven to respond.

Direct Response TV

Infomercials are still an effective way to sell products. Additionally, your team could consider buying a television ad during a popular event (such as a sports game), since this will have the highest live viewership. In the digital age, you can also promote a video on channels such as YouTube to drive responses.

Radio & Billboards

Radio and billboards are effective ways to target commuters. Consider how and where your target audience is likely driving, then advertise an easy to remember landing page, which has proven to be more effective than providing a phone number to call.

Digital Marketing

Whether it's AdWords or an email sent out to a publisher database, the online space is a great way to do targeted advertising that generates responses. With guaranteed lead programs and CPC-based pricing, you can also ensure that each dollar spent is used to generate ROI goals.

Online Channel Intermediary

Channel intermediaries include wholesalers, retailers, brokers, and agents.

Wholesalers buy products from the manufacturer and resell them to retailers. Both brick-and-mortar and online retailers buy products from manufacturers or wholesalers and sell them to consumers. Brokers facilitate transactions between buyers and sellers without representing either party. They are market makers and typically do not take title to the goods.

Agents usually represent either the buyer or seller, depending upon who hires and pays them.

They facilitate transactions between buyers and sellers but do not take title to the goods.

Manufacturer's agent represent the seller, whereas purchasing agents represent the buyer.

Online Retailing Models

Online retailing is one of the most visible e-business models.

Online merchants set up storefronts online that can sell a greater assortment of products than offline.

Shopping cart abandonment during the purchasing process is one of online retailing's biggest problems.

The manufacturer sells directly to the customer in the direct distribution model.

Distribution Strategy of Amazon India • As we have seen Amazon being the world's largest retailer has created a storm in the e market place giving a tough competition to its contemporaries like Flipkart, Jabong, Snapdeal, etc. • Amazon India has been using a hybrid model of delivery system, where it uses its in store delivery network for shipping some products while for others a third party logistics company is used.

Customer Warehouse Online Order through Computer Inventory Check Items in Stock? No,

Customer Notified of Backorder Yes, Item Packed for Shipment Accounts Receivable Processes

Payment Item Shipped Actions to Facilitate Order Processing Online Order through MobileApp

The internet increased the power of buyers and suppliers. It also changed the way electronic data interchange is used to establish structural relationships between suppliers and buyers. A distribution channel is a group of interdependent firms that work together to transfer product and information from the supplier to the consumer. The transfer may be either direct or through a number of intermediaries that perform certain marketing functions in the channel between suppliers and customers. By specializing, intermediaries are able to perform functions more efficiently than a supplier could.

Importance of distribution channels:

Channels of distribution for a product the route taken by the title to goods they are from the producers to the ultimate consumers. It is very important because product in one place while the consumption scattered in many place.

So there is big gap between producers and the consumers. So through channels of distribution can only fill the gap. A channel of distribution connects a link between the producers and the consumers.

The middle man plays an important role in consumer orientation demand. The middlemen are specialist in concentration equalization and dispersion, i.e.

collects output of various producers subdivide the products according to the needs of the consumers. disperse this assortment to the consumers.

Role of channels of distribution

Channel of Distribution plays a very important role in achieving the marketing objectives of a company.

The searching out of buyers and seller.

Matching goods to requirements of the market(merchandising)

Offering products in the form of assortments packages of items usable and acceptable by the consumers /users.

Implementing pricing strategies in such a manner that would be acceptable to the buyers and ensure effective distribution functions.

Participating actively in the creation and establishment of market for a new product.

Transferring of new technology to the users along with the supply of products and playing green resolution in our country.

Offering pre- and after sales service to customer.

Providing feels back information, marketing intelligence and sales forecasting services for their regions their suppliers.

Offering credit to retailers and consumers.

Risk- bearing with references to stock holding transport.

Function of Distribution Channel

Transactional Function – Transactional function refers to making contact with buyers and using marketing communication strategies to make them aware of products. They also include matching product to buyer need, negotiating price, and processing transactions.

Contact with buyers- the internet provides a new channel for making contact with buyers. **Marketing communication**- marketing communication encompasses advertising and other types of product promotion.

Matching product to buyer's needs- the web excels at matching product to buyer's needs. Given a general description of the buyer's requirement, shopping agents can produce a list of relevant products

Negotiating price- true price negotiating involves offers and counter offers between buyers and sellers such as might be conducted in person, over the phone, or via e-mail-a two way dialogue. Even so, shopping agents implicitly negotiate price downward on behalf of the customer by listing companies in order of best price first.

Logistical Function- Logistical function include physical distribution activities such as transportation and inventory storage, as well as the function of aggregating product. Logistical function are often outsourced to third-party logistics specialists.

Lead Generation

Where traditional marketing methods such as email blasts used to be enough to draw customers, the increase of competition and information abundance is making it more difficult for companies to track, reach, and engage with potential customers.

Lead generation, the marketing process of stimulating and capturing interest in a product or service for the purpose of developing a sales pipeline, allows companies to nurture targets until they're ready to buy. Lead generation can be useful for any type or size of business, and for both B2C and B2B spaces.

Sixty percent of marketers state that lead generation is a key pain point for their company. Determining a good lead is more complex than just targeting people who downloaded your white paper, and it's important that your sales reps don't waste their time cold calling unqualified leads when there are ways to narrow down the pool.

When you implement a lead generation program, you increase brand awareness, build relationships, generate qualified leads, and ultimately close deals. The higher quality leads you direct your sales team to, the more of those leads will result in sales. In doing this, you are helping your company grow, while also growing the credibility for your marketing department by showing tangible results and proving yourself to be a valuable part of the revenue team. Lead generation has been around for a long time, but methods have changed from simply finding a customer early on in their sales journey and sending the sales team their way. The self-directed buyer is inundated with information, so it's vital to find new, creative ways to cut through the static and reach potential customers. Instead of finding customers through mass advertising and email blasts, marketers must rely on being found and building relationships with their buyers. In the age of information abundance, marketing is going through a massive shift.

Common problems that lead generation can solve

Simple batch and blast advertising doesn't appeal to the self-directed buyer, and having a solid lead generation program in place can help you navigate the new complexity surrounding lead generation. Below are a few problems lead generation can help solve.

Problem: I need to generate a high volume of leads. If you're just starting out, a lead generation program can result in increased brand awareness, new relationships, higher quality leads, and more sales. If you're looking to optimize an existing program, you may want to reevaluate your audience profiles, buyer journey, channels, and tactics. Keep your goals, customer concerns, and challenges in mind, deliver content that solves their pain points, and keep nurturing those relationships—soon you'll have a funnel filled with qualified leads.

Problem: My sales team says that I'm not delivering high-quality leads. There are several reasons why your sales team is struggling to convert leads into customers. First, sales and marketing should be in agreement about what constitutes a qualified lead, and when that lead should be handed off, keeping in mind that 96% of people visiting your website aren't ready to buy yet. If sales contacts them too soon, they may feel put off—buyers today do not want to feel sold to. Lead quality is important, but it's a major challenge for marketers, so it may take some time to start bringing in qualified leads.

Problem: I'm bringing in leads, but don't have a strategy around what to do next.

Generating leads is just one part of lead generation. Once you bring these leads in, you must utilize lead scoring and nurturing to qualify said leads before sales can do their job.

According to Forrester, buyers might be anywhere from 75 to 90% of the way through their buying journey before they contact the vendor, after they've completed their own research. Keep this in mind when determining what point in the funnel sales should step in.

Problem: I need to be able to demonstrate the return on investment (ROI) of my marketing team. To show the impact of your marketing team, you'll need to plan out a strategy and determine what to measure, when to measure, and how to measure. Choose metrics that show how marketing is increasing effectiveness across the board, generating qualified leads, amplifying sales pipeline velocity, and improving sales and marketing alignment through leveraging lead generation software.

Problem: My lead generation program isn't working anymore. If your lead generation strategy has yet to catch up to the age of the self-directed buyer, it's time to reevaluate. Using modern lead generation software can help leads find you by increasing brand visibility and capturing interest with informational content buyers can use during their own research before they're ready to purchase.

Components of lead generation

Lead generation programs don't end at simply generating your leads, there are various other components that are just as important to the lead generation strategy.

A lead generation database: As leads come in, you'll need to be able to track, attribute them to the appropriate source, score, and segment them to begin nurturing. While you can do some of this manually, you'll need an automated system in place if you want to scale your efforts. **Supporting content and lead-ready channels:** Content is the foundation of your lead generation efforts. Think of content as the fuel for all of your marketing campaigns—from email, to social, to event collateral. You'll also want to see how your website, landing

pages, social media, email marketing, paid programs, and sales tactics fit in to the lead generation execution plan

An analytics engine: Now that you know how much you're investing you can accurately track returns on your lead generation programs. But looking at only the first or last touch to determine how your overall strategy is working won't give you a full picture—common wisdom is that it takes seven touches to convert a cold lead to a sale.

A martech stack: The right lead generation technologies will save you money, help you do more with less, measure and optimize your programs, and ultimately allow you to grow your lead generation programs—and company—faster.

ROI of a successful lead generation program

The ROI of a successful lead generation program depends upon determining qualified leads and moving them along the sales funnel at their own pace.

Lead generation drives content marketing. 85% of B2B marketers say lead generation is their most important content marketing goal (Ring Lead, 2017).

Lead generation helps you to direct users to relevant content. Targeting users with content relevant to their position along the buying process yields 72% higher conversion rates. **Lead generation can grow revenue in any size company.** By building a lead generation strategy, we've seen mature companies achieve 133% greater revenue versus their plan than average companies, and 174% more than the least mature companies.

Creating a website

Most customers will expect to be able to find your business on the internet. Whether you are selling your products online, or simply want to provide some information about your business and your contact details, having a website is almost essential.

It's a good idea to think about what you hope to achieve with your website before you start creating one. Researching your competitors' websites can help you get a clear idea of what may work best for you.

1. Register your domain name

Your domain name should reflect your products or services so that your customers can easily find your business through a search engine. Your customers may also expect your domain name to be similar to your business name.

Your domain name will also be used for your email address. While you can use a free email address such as hotmail, sending emails from a business address looks more professional.

2. Find a web hosting company

You will need to find a web hosting company to get your domain name on the internet. Most of the major internet service providers offer web hosting services. They can also provide you with multiple email addresses.

Monthly fees for web hosting vary depending on how large your website is and how many visits you get.

3. Prepare your content

Think about what you want your customers to be able to do via your website. This will help you work out what sections or pages you want to include. Consider what information or transactions your customers will want and make sure the site is structured to make it easy for them to find and do the things they need.

Just as you might hire a professional to design your site, you might also want to consider hiring a professional to write and structure your content.

A website that is well designed and easy for customers to use will help your business stand out. Having relevant and appropriate content and images will help customers understand your products and services and will make them feel comfortable with buying from your business.

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4. Build your website

You can build your own website or have a professional web developer build it for you. Websites need to be kept up to date, so make sure you plan for ongoing maintenance.

You can use a website publishing package to build your own website. These are similar to word processors, but also have inbuilt features to convert your text and images to web content and send it to your website.

Having someone else build a website for you is a good idea if you're new to online business. A professional web developer can build your site quickly and provide guidance on successful web design. Hiring a professional can be particularly useful if you are looking at having an online shop or offering other services through your website.

You will need to design your website so it can be easily used on smartphones and other mobile devices. Optimising your website for mobile use means that the growing number of people using phones and tablets to access the internet can use your site while they are out and about

Useful tips for creating a website

Think about what your customers want to know, not just what you want to tell them.

Use professionals to help you. An unprofessional website can potentially put customers off.

Update your website regularly, especially if you include information about your prices.

Make sure your contact details are correct and easy for your customers to find.

Promote your website in your marketing material and include it on your business cards. Find out how you can make your website easy for search engines, such as Google, to find. This is called search engine optimisation (SEO). A web developer can help you with SEO for your website.

What is SEO?

SEO stands for “search engine optimization.” In simple terms, it means the process of improving your site to increase its visibility for relevant searches. The better visibility your

pages have in search results, the more likely you are to garner attention and attract prospective and existing customers to your business.

How does SEO work?

Search engines such as Google use bots to crawl pages on the web, going from site to site, collecting information about those pages and putting them in an index. Next, algorithms analyse pages in the index, taking into account hundreds of ranking factors or signals, to determine the order pages should appear in the search results for a given query.

Search ranking factors can be considered proxies for aspects of the user experience. Our Periodic Table of SEO Factors organizes the factors into six main categories and weights each based on its overall importance to SEO. For example, content quality and keyword research are key factors of content optimization, and crawlability and mobile-friendliness are important site architecture factors.

The search algorithms are designed to surface relevant, authoritative pages and provide users with an efficient search experience. Optimizing your site and content with these factors in mind can help your pages rank higher in the search results.

Why is SEO important for marketing?

SEO is a fundamental part of digital marketing because people conduct trillions of searches every year, often with commercial intent to find information about products and services. Search is often the primary source of digital traffic for brands and complements other marketing channels. Greater visibility and ranking higher in search results than your competition can have a material impact on your bottom line.

However, the search results have been evolving over the past few years to give users more direct answers and information that is more likely to keep users on the results page instead of driving them to other websites.

Also note, features like rich results and Knowledge Panels in the search results can increase visibility and provide users more information about your company directly in the results.

What Exactly Is A Blog?

Simply put it's a version of a website. A type of website that organizes content in the form of categories and posts. The posts are presented in reverse chronological order. That means your latest post goes to the top of the pile.

A blog (just like a website), also has pages, so you have two different systems for organising your information.

Pages are used for static information that the owner expects you to reference frequently, such as the "About" or "Contact" pages.

In contrast, posts may have a shorter life span. Posts written several months or years ago may no longer be topical. The content evolves over time. It's like producing a magazine in daily or weekly instalments.

The boundaries between blogging and websites are murky... although all blogs are a type of website, not all websites will have one.

How Does Blogging Work?

Compared with a typical website, blogging works as a better way to present and organize large amounts of content. A blogger will regularly create posts, just like this one.

#1 Posts

Ideally posts are published regularly and the archive is a record of all the latest posts. The most recent one is at the top of the pile.

#2 Categories

Posts are organised into categories to make it easier for readers to find them.

#3 Tags

Tags can be used to sub-divided content. You can read more about the difference between categories and tags in my post

#4 Menus

My header and footer menus, (at the top and bottom of the page), are mainly links to my static pages such as About, Privacy and Tools. These pages contain information I expect most visitors to keep referring to. Information that needs to be highly visible and easy to access.

Ways to Deliver Consistently Great Customer Service

Great customer service means following best practices like valuing customers' time, having a pleasant attitude, and providing knowledgeable and resourceful resources, but that you also take things a step further to exceed — rather than just meet — expectations.

Know your product

Maintain a positive attitude

Creatively problem-solve

Respond quickly

Personalize your service

Help customers help themselves

Focus support on the customer

Actively listen

Keep your word

Be proactively helpful

How To Build Customer Relationships

Respond Quickly

Make An Effort To Engage With Your Customers

Show Your Human Side

Hold Contests Or Competitions

Run Exclusive Promotions, Sales, Or Events

Communicate

Exceed expectations

Ask for feedback

Connect

Show appreciation