Marketing Financial Services

Many marketers would say that on some level marketing financial services follows the same path and set of rules as the marketing of most other services (and products). This is a fair assumption, however the inclusion of people's money (and their general attachment and concern for it) also means that there is a higher need to establish trust. Money has a great deal of emotional baggage attached to it, as people see it as their future, their present security, and sometimes their legacy. With this in mind, asking someone for the right to interact with their money may not be the same as asking to engage in other services after all. So how do we market financial services? The recipe is below.

The four components of a comprehensive, integrated approach to marketing financial services includes a strategy, a marketing plan, tactics, and sales channels. Let's take a look at each component separately.

Strategy

The establishment of your marketing strategy has two stages, through which you will determine who your targeted customers are and what message you will be broadcasting to them.

Stage one is segmentation, where you choose your targeted market. By segmenting the overall market you are able to look at critical elements such as demographics (age, gender, income), geography (physical location), and lifestyle (how people spend the money they have) and decide where within the larger market lies the people you wish to sell to.

Once you have chosen your targeted market you will analyze your selection according to a number of factors to determine your viability. These factors include:

- Market Potential – does the group you selected as your targeted market have sufficient numbers of people to make up a viable collective?
- Sales Potential – looking at your sales objectives, of these people in your targeted market, are there sufficient numbers who can likely be converted into customers?
- Compatibility - do the services you intend to sell meet the needs and match the habits of the market you intend to sell to?
- Accessibility – can you easily gain access to this market through an existing network, popular exposure channels, and partnerships?
- Competition – who are your competitors, how great is their penetration of the market, what will their reaction to your entry into the market be, and can that reaction somehow inhibit or prevent your successful entry?

Stage two is positioning, where you seek to place your company and its message (comprised of benefits, experience, and offer) into the market place in a position that substantially differentiates you from the competition and highlights the merits of your service. In preparing your positioning you should first engage in a number of analytical processes so that you are certain to have the information you need to make the proper positioning decisions. These processes include:

- A SWOT Analysis – make sure you know your strengths and weaknesses and have properly identified the opportunities and threats within the market.
- A Needs Assessment – make sure that you have properly identified the needs in the market that you are going to fulfill and make sure that the services you have developed to meet these needs genuinely do so in a way that is clear to the market and meaningful.
- A Competitive Analysis – the importance of your competition cannot be over emphasized. Not only does your competition help you measure the market and spot trends, they also serve as a natural barrier to entry if you do not succeed in sufficiently establishing the differentiating factors that make your offering both better and special.

Once you know what you are offering the market, to whom you are offering it, an how and where you fit into the competitive landscape, your strategy is set and you can move into the market planning phase.

Marketing Plan

There are 8 elements to the marketing plan that you should be certain to include, not because they represent formal steps, but because they are critical to your development of a viable plan that will bring your services into the marketplace.

The purpose of marketing is to raise awareness of your service (so people know you exist), create interest in your service (so people will consider using your service), and deliver the offer (so people understand what you are offering and what you wish to receive in exchange). Marketing is not intended to close the sale, but rather create the environment within which sales are more likely to take place. Keeping the purpose of marketing in mind while developing the marketing plan will assist you in making certain you include in all the elements the considerations you need to meet your goals.

The 8 elements to the marketing plan are:

- Internal Audit – make certain that, as you did in your SWOT analysis, you have a complete and honest understanding of your capabilities and weaknesses. Over estimating your capabilities will lead you to attempt things you are likely to fail at, and under estimating your weaknesses will blind you from defensive actions you need to take, making you vulnerable. Lying to yourself, whether intentionally or not, can only hurt you in the long run. Know thyself.
- External Audit – just as you did a competitive analysis to understand your competitors in the strategy development stage, so too must you make certain that you review the competition for the marketing development stage. Whereas during the strategy stage you might have looked into their services, market position and other factors, here in the marketing stage you want to better understand what promises the competition is making, how they deliver their message, who they are targeting, and what consumer reaction has been. By understanding how your competitors are marketing their services and how effective their marketing is, you can draw conclusions regarding which channels and messages might work best for you.
- Define Objectives – the goals of your marketing plan are in the broadest sense to sell your financial services. This is an obvious statement and will do you little good if you conclude this step with this elementary objective. Defining objectives

is a deeper process that calls upon you to establish a set of goals in measurable terms. This allows you to define strategy and tactics by understanding where you want them to bring you and also provides you with a standard so that you will be able to determine the success of your efforts.

- Adjust the Strategy – the marketing strategy is an adjustment of the strategy you developed in stage one, and essentially provides you with the opportunity to adjust any fundamentals you established earlier.
- Select the Tactics – the tactics are the tools and methods you deploy to obtain the objectives you defined. Since tactics is one of Tudog's 4 components to the overall marketing of financial services model, more on tactics will be discussed below.
- Implementation – it may seem like an obvious point to make, but when all is said and done, the success of your program will be a function of how well you implement. Implementation is an endless and ongoing process. You need to make sure you have both the time and resources necessary to implement in accordance with the plan you developed.
- Timetable – one of the most critical things you can do is set up the parameters through which you will be able to honestly and accurately judge your progress. You need to establish strict timetables by which you measure your success and enable yourself to determine how the tactics you are deploying are performing. Without a timetable you may lose track of the time that has passed or decide to give certain tactics more time because you believe in them even though their actual market performance does not support your dedication. The ability to analyze your progress comes from a cold and detached set of criteria based on goals and timetable.
- Budget – you need to set you budget from the very start and make certain that you are not relying on tactics you cannot afford or allocating resources you either do not have or have already committed to other essentials. The risk of using the same dollar twice is more present that you might think, as is the disconnect that often occurs between desired tactics and available capital. Make certain you know your budget and you stick within it.

Tactics

Tactics are the tools you deploy to execute your marketing strategy. Tudog has a number of tactics we suggest you consider and used based on your market and your resources. Tudog believes in a balance of tactics, favoring a mix of many tactics at the beginning and then, through measurement of efficacy, the elimination of those tactics that are not performing. Obviously not every tactic makes sense, but by using a mix of tactics you are providing a broader foundation for your marketing effort. The suggested Tudog tactics are:

- Advertising – placing ads in select publications (and perhaps on local radio and cable) can be a highly effective way to raise awareness, create interest and deliver your offer. The costs can be prohibitive and you need to make certain you do not over-rely on advertising to the detriment of other additional tactics. The tools you need for advertising are the ads themselves, which should be prepared in coordination with your overall marketing plan and express your message consistently.
- Public Relations – in addition to the low costs generally associated with public relations the exposure received can be highly effective as the source is seen as

neutral and unbiased. You can use PR as a way to establish credibility and the perception of your expertise. You can write articles for publications, get articles about you placed in select publications. The tools you need for PR include a press kit, fact sheets, press releases (sent out regularly) and perhaps white papers or opinion papers that can be picked up by publications.

- Events – the sponsorship of seminars, the participation (and speaking) at trade shows, and the involvement in other events are ways to gain exposure and be seen as an expert.
- Direct Marketing – the use of methods such as direct mail, email marketing, and other online capabilities to bring your message directly to individuals you have selected as prospective clients. In most cases you will need to purchase a list of names, but the criteria for those names will be yours to determine.
- Cooperative Relationships – an extremely effective and low cost tactic (although it takes a great deal of time to develop) is “relationship marketing” including the creation of strategic partnerships, referral relationships (some compensated and some just reciprocal), and joint ventures. If you select your partners properly (so that they have an established base and good reputation) you can leverage a great deal of their market position for your benefit.

Sales Channels

The financial services sector is highly dependent on the reputation of the individual service provider and the company he/she works with. The trust factor is more critical than all others, after which are track record and performance capabilities. With this in mind, the sales channels available to the financial service provider are somewhat limited because they need to include the comfort factor so critical to the buy decision. Tudog has identified some prospective sales channels. They are:

- Direct Sales – the service provider or the company have a one-on-one sales approach where salespeople (or the provider) meet with prospective clients and deliver the marketing message.
- Telemarketing – not a favorite for Tudog, but often effective, many financial service companies make sales over the telephone to primarily less sophisticated buyers.
- Independent Sales Representatives – the commissioning of a third party sales organization to represent the company and make sales to prospective, targeted clients
- In-house Sales Team – the use of salespeople from within the company to identify and pursue viable sales leads

The financial services market is huge and continues to grow as people are seeking ways to secure their futures through the wise investment of their money. The marketing of such services is a function of the distinctiveness of the financial products being sold and the reputation (for honesty and performance) of the service providers. By combining excellent reputation with excellent marketing, the recruitment of new clients is almost a sure thing – certainly a safer bet than some of the investments the financial advisor with ultimately make.