

# Marketing Assignment 02



## **1. Critically demonstration of relevant knowledge/understanding of the current position of the brand**

ETI Finance Limited is a registered Finance Company with the Monetary Board of Central Bank of Sri Lanka under the Finance Companies Act No.78 of 1988, The Company has earned Sri Lankan Rupees 1.97 Billion as a gross interest income in year 2013 and currently, there are more than 550 workforces within the organization as well. The Company is offering an extensive range of finance facilities to individuals including Leasing & hire purchase, fixed deposits, pawning, gold sales, Real Estate and Housing. Especially customized packages on Hybrid vehicles, Electric vehicles, and SUV and Mini trucks, further the Pawning are the one of the core business of the company. the Company is targeting to promote these products among the persons who are in middle and high income level category, The diversified product portfolio with special deposit schemes catering to senior citizen age 55 or above, children age 16 and below and ladies as well. The financial service industry is one of the most competitive and rapidly growth industry in Sri Lanka & ETI is having mainly three competitors such as Central Finance, LB Finance and LOLC Finance Company. Each divisions of ETI such as marketing, Finance, Operations and human resources linking and working towards for achieving common goal of the organization. In ETI stake holders can be categorized as internal and external stakeholders. Internal stake holders are employees, owners and investors etc. And the External stake holders are Customers, Suppliers, Creditors, trade unions, government and community etc. the company has recorded continuous and above – average growth figures and today, its growth in deposit mobilization, assets and profits firmly establishes the reputation of the company in Sri Lanka.

ETI ltd is continuously assessing and meeting the customer expectations while focusing on the actors which determine the unique selling propositions. Based on the market survey information, the company has responded quickly towards the customer responses while introducing new products and discontinued the non-profitable operations such as ETI Wheels and ETI trade finance. So the company is currently serving more than 450,000 customers annually. Then it is possible to carry out an analysis regarding the role of marketing functions within the organization as follows;

## Marketing Mix

*Products* –the company is currently maintaining a differentiated product and service portfolio which mainly comprises with the products such as Fixed Deposits, Pawning, Gold Sales, leasing and hire purchase under the categories of leasing, hire purchase and the personal loans, Real Estate, Agricultural business, Property Development and Housing etc. so here the company has branded their products as ETI Ran Sanasuma, ETI Lesi Loan, ETI Diri Jaya, ETI Sihina Niwahana and ETI Riya Saviya etc.

*Price*- currently the company is following a competitive pricing policy while mainly focusing towards the cost leadership and differentiation pricing strategies in Swarnamahal Jewelers, EAP films & Theaters, Swarnamahal financial services PLC etc.

*Place*- the company has expanded their operations within different geographical regions including all the provinces in Sri Lanka with its demanding business sectors of Pawning, Leasing and Gold sales etc. (Kotler, Abraham & Mithileshwar, 2009)

*Promotion*- the company has carried out several kinds of CSR projects like Janasarana in order to promote the all products and services of the company. Further the company has maintained a loyalty customer data base with all the previous transactions and the potential events. Through this huge data base, the company is carrying their main promotional activities individually and different manner than the competitors do.

## **2. Critical construction of the PESTL & SWOT analysis and identification of workable opportunities**

### **SWOT Analysis**

When it comes to analyze the internal environment of the company, it is highly required to carry out a SWOT analysis in order to identify the company strengths, weaknesses as well as the threats and opportunities as follows ;( Rajan, 2006)

#### **Strengths**

The company is having several kinds of strengths such as having better reputation with long term trusted goodwill of the company, having huge customer base as well as higher level of work force with implicit knowledge, having purposeful and dedicated top management while having modern technology systems with strong brand recognition for trustworthiness of the company. Further the company has a better financial position with higher asset base itself.

#### **Weaknesses**

Here the company has identified several kinds of their weaknesses mainly within the areas of human capital development as well as the human asset planning. Further the organization is facing to the problem of resistance to change by the employees due to the lack of thinking out of the box. Furthermore the company has to face with increasing trend of their operational expenses due to the excess diversification of the business as well.

#### **Opportunities**

Here the company is having several kinds of opportunities for enhancing their operation with the increasing population and their emerging needs for financial services day by day. Further the company is having the ability of expanding their operations in global perspective while getting the support of the foreign investors and the agents. Furthermore it is possible to enhance the exiting image of the company while dealing with more and more CSR activities with providing better quality customer service in order to delight their customers. (Kotler, Abraham &

Mithileshwar, 2009) Not only that but also the company can enhance their business portfolio further through sustainable investments and continuous research and developments. Furthermore the company can enhance their service quality through getting the support of modern technological instruments and systems as well.

### **Threats**

Here the company is facing to a high threat of emerging competition within the industry with using the red ocean strategy as well. Further traditional systems of the organization have led to reduce their overall competency with the accelerating technological advancements in the globe. Furthermore the company is facing to the threat of dynamic changes within the external factors of economy, political and legal background of the country, demographic changes as well as the technological changes etc. further the company has faced with the threat of increasing knowledgeable customers with increasing level of the head hunting within the industry as well.

### **PESTL Analysis**

It is possible to analyze the external environment of the company using the PESTL Analysis which comprises with the political environment, economic environment, social and cultural environment as well as the technological environment and the legal environment respectively.

#### **Political Environment**

There the company is influenced by the changes of the political background of the country with its changes of rules and regulations relating to the taxes and other levies and the changes of whole monetary and fiscal policies etc.

#### **Economical Environment**

The company is basically influenced by the economic environment in terms of the changes in interest rates, exchange rates, inflation as well as the per capita income, GDP, economic growth and the employment of the country etc. there the company will be benefited with having sound

economy or a healthy economy with growing trend since it may enhance the income level of the people and thereby their consumption and saving too. ( Rajan, 2006)

### **Social & Cultural Environment**

Here the company should have to understand and respond to the changes of the social and cultural behavior of people or their customers with emerging trend of working women, aging population etc while introducing more products on those groups like pension schemes and women accounts and loan facilities etc. unless otherwise it may lead to fail the organization from the market due to the inability of fulfilling emerging customer requirements like Islamic customers etc.

### **Technological Environment**

Here the company is required to get the support of the accelerating technological advancements day by day and it will increase the overall productivity of the company since the reducing tie and effort of the customers as well as their employees. Now a days, the customers are seeking to remain their time and effort with quality service security form the modern technological systems like electronic based systems and other online platforms such as the internet.

### **Legal Environment**

There the company is required to comply with governmental rules and regulations relating to the employees, customers as well as to the entire society itself. The company should have to fulfill their legal obligations as a legal person within the society while contributing to the social and environmental development as well. So the company should have to comply with employee legislations, service quality standards as well as the environmental legislations and consumer protection legislations etc.

### **3. Quantification of opportunities via setting marketing objectives**

It can be recognized that the customer satisfaction is the essential requirement for survival and growth of each and every company as well as a better opportunity for the growth of the company itself. Therefore ETI finance should have to fulfill their customer expectations than the competitors in order to survive and grow within the industry, unless otherwise it may lead to switch the existing customers towards the main rivals who will be given the maximum customer satisfaction. Further the company can create reputation while acquiring high market space within the industry while getting more competitive advantages through having high loyalty long term customer base itself. Further the ETI Company can enhance their quality of the human capital through its' continuous development. However the company is conducting two training sessions per year regarding the customer care services and while understanding the changing consumer behavior with deciding to discontinue two unproductive products of trade fiancé loans and sale of motor vehicles. Furthermore the company has mentioned that their valued customers are at the core of the entire business operations as well. Here the company can use proper Marketing Mix and Promotional Mix in order to get the advantages of the above identified opportunities within the market. (Kotler, Abraham & Mithileshwar, 2009)And also the company can get their customer information and their feedback through the electronic systems as well as the telephone systems which should be user friendly, speed connectivity while providing the necessary information quickly and accurately by the relevant officer. Furthermore it has seemed when customer comes to the ETI Finance at the parking area is full, may arrange valley parking facility to the customer. That experience is more helpful to customer to save their valuable time. Not only that but also the Premises area including parking should be safe area because some depositors comes with the money .here the company has opportunity of using modern technological systems like CCTV monitoring systems and positioning armed security persons which will increase the their customer expectations. And finally having less documentation and speed service is one key factor in ETI experience as well. It can be proposed some kinds of strategies to the ETI Company in order to enhance their customer deposit segment than now by Introducing more competitive interest rates to the fixed depositors with their maturity level and the income level as well as Introducing a special scheme of offering money- refund facility with least documentary needs and cost to the customer, if they have not satisfied with the exiting

benefits. And also the company can organize some contests/competitions to the depositors who will be deposited beyond the established limit area while giving an opportunity to win a vehicle or any other valuable electronic device for a home. Not only that but also the company can implement of the more recognition programs for the staff (Salesperson of the year etc) in order to encourage to deliver a better customer service. Furthermore the company can introduce a loyalty reward program for the long term depositors while building a better promotional mix of advertising, sales promotion etc in order to make aware the customers about the existing products as well as the innovations of the company, unless otherwise it may lead to fail the new products even without knowing the customer about such new products and the developments of the company itself. Here it has basically recognized that the less advertising and the promotion of the product introduction stage of the company has lead to fail the some products from the market such as the trade finance and the ETI vehicle loans etc. Therefore the company is possible to build up a better promotional campaign regarding their new products as well as the existing products among the existing and potential customers.

Not only that, but also the company can create a proper promotional mix for the deposit market segment with concerning the global trends as well as the customer behavior changes with the social media and online network platforms. Here the company can use the social media such as face book, twitter etc. in order to make aware more customers without having any geographical restrictions as well as the least cost of advertising and promotion. Furthermore the online platforms can be used to organize some promotional contests within the customers regarding the competitive interest rates for the deposit customers with several kinds of benefits upon the deposit amount and the time such as vehicles, electronic equipments etc. not only that but also the company is possible to arrange some partnerships with the leading communication firms such as Sri Lanka Telecom, Sri Lanka Insurance etc. with an purpose of giving more additional advantages for their customers while allowing them to pay their mobile bills through the deposit account as well as giving a premium life insurance or any other insurance claim for their depositors as an added benefit by the company itself. Then it will enable to attract more customers than the existing customer base due to the huge customer involvement within the added benefits and the rewards of the organization.

Furthermore the company is capable of introducing a proper customer loyalty scheme for their long term deposit customers via the introduction of a special loyal card which will enable the customers to pay their bills at the Keels Super, Food City etc. Not only that but also the company can introduce a point reward system which will be added some points with each and every transaction of the customers depend on the amount and the time. Then at the expiration time of the points, the customers will be given some specific reward or bonus interest added on behalf of being a loyal customer to the company. Likewise there are several methods of upgrading the existing promotional mix of the deposit customer segment within the organization with effective and efficient utilization of these tools of sales promotion, advertising campaigns etc. in order to enhance the customer base within the organization itself.

Furthermore as above mentioned the company is capable of establishing the following ***Marketing Objectives*** in order to create a proper promotional mix for the deposit market segment with concerning the global trends as well as the customer behavior changes with the social media and online network platforms;

- Development of the product portfolio while increasing the customer base
- Enhancing the overall quality of the staff with continuous T&D
- Increasing the customer satisfaction while being the first of changes
- Increasing the customer awareness
- Utilizing the benefits of the technology optimum manner
- Acknowledging customers with designing various communication channels to reach towards them.
- Crating more convenient time and schedules to the customers
- Creating a better corporate image while participating with more CSR activities actively.

## 4. Strategy development and critical justification

### Market Segment Analysis

ETI Finance, the deposit and the leasing customer segments are highly significant to the company as it determines the overall funding capacity of the company itself. Here the deposit customers are always targeting to invest their money exceeding more than one million Sri Lankan Rupees in long term base. And leasing segment is consisting with the persons who get the leasing facility worth more than Three million Sri Lankan Rupees and get lease to purchase Car or SUV vehicles.

Here it has selected the deposit customers' market segment and it can be further improved through the successful implementation of the extended marketing mix which comprises additionally the people, physical layout as well as the process.

*People* – ETI Company should have to recruit and train the right people since these people may deal with their customers directly. Therefore it can be proposed to recruit and train the current workforce more in order to give a better customer experience with speedy and accurate process of customer deposit section than now. Furthermore it will be caused to enhance the overall satisfaction level as well as the experience of the customers through having well- trained and dedicated team for the customer service of the organization. Especially in the deposit market segment, the customers have already complained for the less efficiency as well as the high waiting time related to the deposit counters and therefore the company should have to implement a better system for monitoring the employees and the customers with their overall productivity.

*Physical evidence*- ETI Company should have to concern more about the surrounding because it is very much important to give the best experience to their customers at the initial stages of product purchases while using the modern technological instruments. Since the traditional look of the company's deposit division, it will add a monotonous picture in customer mind and it will better to add some more amenities with little level of entertainment facilities to the customers at the organization such as television, Wi-Fi area, and children play area etc. furthermore the physical evidence or the layout is highly important to attract the potential customers within the second stage or the engagement stage of the customer journey process. There the customers are

highly concerning about the physical layout of the company with their communication requirements. Therefore the company should have to enhance the quality of the physical layout and further the customers have already complained for the full parking area within the premises during the working hours of the organization. Because of that the company should have to increase the space for the parking area for their customers in order to reduce the valuable tie and the effort of the customers well. (Kotler, Abraham & Mithileshwar, 2009)

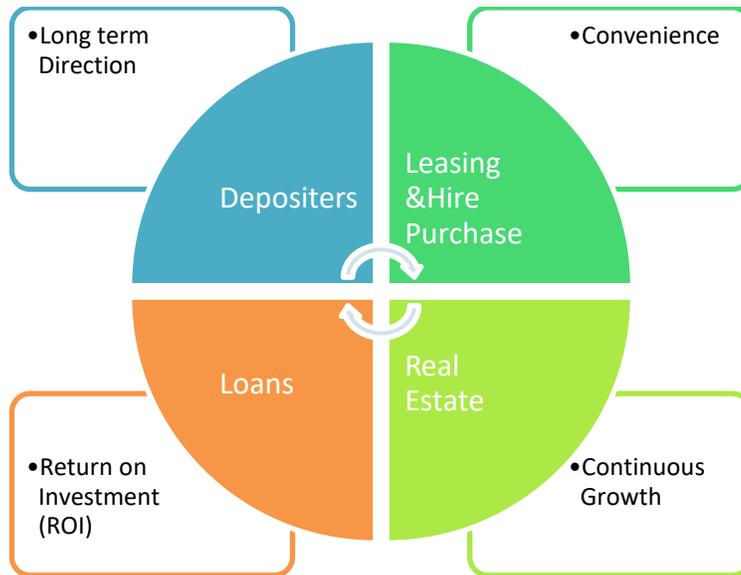
*Process-* ETI Company should have to develop their overall service process of deposit section in order to give a better experience to their customers with saving their time and effort which may add more customer confidence through having clear process as well. Furthermore there should be an integrated system for monitoring the overall process efficiency of the organization while using the modern technological advancements. The company should have to concern about the overall process of the deposit customer market segment related to the counters, documentation etc .in order to provide speedy and accurate customer service while reducing the human involvement within the process and the customer waiting time as well.

### **Marketing Targeting**

There the company has targeted on the various customer segments while concerning their growth potential of the segment, profitability of the segment as well as the accessibility of the segment. Basically the company has prioritized their deposit customer segment as the highest level of the potential growth and the profitability for the company. Since the company has designed several kinds of marketing plans and strategies for increasing public awareness about the savings. Therefore the company has declared that one of their main goals is to enhance the deposit customer base by 15% in the coming year of 2016. In order to do that, the company has created a separate marketing team called as “*ETI Savings Consultants*” who are paid through the achievement of the daily given targets. Therefore the company has identified that the deposit segment will give more competitive advantages for the company with it emerging requirements with population growth and economic growth of the country and further it has generated the highest profit margin of 16% in terms of segment wise for the company.

### **Market positioning**

There the company has positioned their main customer segments using the following positioning map with in terms of four dimensions.



There the company has positioned their deposit customer segment and the loan segment within the dimensions of long term direction and the ROI since their profitability and company survival. Further the leasing and hire purchase segment as well as the real estate segment has put under the convenience and continuous growth dimensions since the demand for this segment is increasing day by day while seeking for convenience with accessing to the facility at the lowest possible cost here.

## 5. Development of an execution plan and marketing budget

ETI has designed own advertising and promotional campaign under the theme of “ETI *Api-Oba Wenuwenmai*” with their existing customer base. There the company has understood that it is highly important to remain the existing customers than attracting new customers.

### Action Plan

<b>Campaign Title</b>	ETI <i>Api-Oba Wenuwenmai</i> ”			
<b>Campaign Duration</b>	Quarterly			
<b>Campaign Objectives</b>	<ul style="list-style-type: none"> <li>• To remain the existing customers than attracting new customers</li> <li>• Increasing public awareness on company products and its’ benefits</li> <li>• Increasing the customer loyalty towards the organization</li> <li>• Enhancing the trust worthiness of the customers towards the company</li> </ul>			
<b>Marketing Activity</b>	Required Resources	Responsible Staff	Deadline	Cost
	People Physical & Financial resources with Time	ETI Savings Consultants	End of the Quarter	9.5mn

### Marketing Budget

Item	Quantity	Cost Per Unit	Subtotal	Notes
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<b>Event</b>				
No of attendees	2500			
Meal Fuel		1000	2500000	Fuel cost allowance for promotional vehicles only
Physical Equipments			500000	Outsourcing
Printing cost	200000	10	2000000	Catalogs & Handbills
Promotional cost			200000	
Advertising cost			300000	
Space utilization			300000	Office premises
Staff cost	2500	1480	3700000	
<b>Total Cost</b>			<u>9500000</u>	

## 6. Identification of KPIs and suggested plan for performance management.

There it is possible to establish Key Performance Indicators for the suggested plan of promoting the deposit customer segment of the company as in below;

- Rapid Deposit growth
- Growth of Operating margin
- Growth of Return on investment (ROI)
- Shareholder value Creation
- Continuous growth with innovative offerings
- Adaptability & flexibility with the dynamic changes
- Continuous Human capital development

- Research and development

Therefore it can be recommended several strategies to be followed by the ETI Company in order to improve their overall customer experience in the deposit segment such as Implementing and organizing new Training and Development sessions to the work staff in terms of increasing the efficiency with the new technological advancements, Introducing a separate customer care scheme to fix the customer problems before they arise and prevent the future occurrences, Continually carryout the market surveys and try to make innovations on behalf of the customers and improve their experiences, Continually assess the customer needs and expectations through the appropriate market researches as explained in above, Improve the customer service through designing process-driven processes at the organization in order to save the valuable time and the effort of the customers with the all organizational transactions etc.

Furthermore the organization is capable of creating and enhancing a customer-centric culture within the organization with new loyalty schemes and contests, Providing clear information about the company and other required matters to the customers in order to reach the organization and the relevant authorities quickly and directly with all matters, Engaging with the customers more and more through the social network platforms such as face book, twitter etc, Differentiated the overall product portfolio timely and continually while concerning the global trends as well. And also designing the right customer experience through focusing their value propositions, creating the experience with real people other than on brands or the products, Leverage the technology in order to enhance the customer experience other than creating it and Create more emotional connections with the loyal customers personally/individually, Capturing the customer feedback accurately and immediately in order to resolve their all complaints and the negative perceptions regarding the whole organization at the initial stage of the customer journey process, Implementing a new quality framework to coach and develop the existing workforce and measuring the customer experience with pre- designed standards and the measurements continually etc. will lead to enhance the overall experience of the customers which they got throughout the entire business transactions with the company here.

## Conclusion

Ultimately it can be concluded that the ETI Company Ltd is currently in a favorable position with giving high level of customer experience and satisfaction through empowering their workforce as well as implementing new loyalty reward schemes to their customers individually. However as explained in earlier, the company should have to enhance the overall customer experience in deposit segment as the target segment furthermore while implementing the above mentioned recommendations here. soothe company should have to be noted that the Customers are the king of each and every business and their satisfaction and the experience will determine the overall success as well as the failure of the company within the marketplace as well.

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