

Marketing concept favored by the organization marketing essay

[Business](#), [Marketing](#)



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Introduction

According to Professor Theodore Levitt, marketing involves creating value satisfying goods and services that ends with customer satisfaction and feedback. An organisation which has achieved superior performance in marketing through competitive position, brand strength, and profitability is Guaranty Trust Bank (GTBank Plc.).

Why GTBank?

Prompted by the unprofessionalism, poor service and unethical standards that characterized the Nigerian Banking sector in the 1980's, the duo Fola Adeola and Late Tayo Aderinokun in 1990 set up Guaranty Trust Bank to be different. Though, initial focus was on Corporate Banking that involved wholesale banking, with changing realities, a strategic decision was taken to pursue Retail Banking in 2005. This required mass marketing something GTBank wasn't doing and where big Banks were already players. To establish presence, a consumer-oriented advertisement and re-branding commenced. There was a logo change from the initial conservative look to a vibrant orange and unique architectural renovation of all its building. The campaign tagged Orange Rules reinforced its dominance in Banking albeit in another market. Within six months, the Bank became redefined in Retail with continued enviable reputation for providing excellent service, pioneering innovative products that meet customers' needs, encouraging feedback, resulting to customer loyalty. It has continuously grown in deposit and profitability with most people willingly wanting to be part of the GTBank

family through account ownership. It has an Asset Base worth N2trn (\$12bn), shareholders' funds over N200bn (\$1.2bn) and employs over 5,000 people. GTBank now extends across continent after regional growth and strong domestic franchise. C: UsersabisolaDesktopgtlogo. jpg

Justification

GTBank is a strong and respected brand with consistent performance. Year

2007

2008

2009

2010

2011

HalfYear-2012

PBT N'bn27. 134. 626. 9456253. 6Fig. It has loyal customers with over N1tn deposit.

Year

2007

2008

2009

2010

2011

HY-2012

Customer Deposits N'bn

3573936627139641, 079An award winning Brand. (Appendix1). C:

UsersabisolaDesktopgtlogo. jpgNos1 in delivering innovative products through theoretical conception and technology, for profitability (Trott, 1998) e. g. innovating Pin Pads, TNS, savings slips etc. Respected internationally. Has AA- rating from Fitch. Successfully launched a \$500m Bond recently in Europe. A responsive and listening bank: It encourages feedback and strives to resolve complaints as fast. Ahead of every other bank. C:

UsersabisolaDesktopEconomic%20&%20market%20(3)_thumb. jpgwww. businessworldng. com

Marketing Concept Favored by the Organization

Though there's a balance of every concept in the Bank, most favored are the Marketing, Societal and Sustainability concept. Marketing concept: focuses on needs/wants of target markets and delivering value better than competitors. (Kotler P. et al)C: UsersabisolaDesktopgtlogo. jpgSocietal- viewed from two of the six different fields under the social and societal

marketing concept as identified by Philip Kotler and Nancy Lee (2005) i. e. Cause marketing ' supporting social causes through paid sponsorships and promotion' and Responsible Business Practices " adopting discretionary business practices and investments that support social causes".

Sustainability: meeting present customer and future generational needs thereby enhancing long-term relationship and loyalty. This can be pursued using the market expansion grid below (Kotler et al, 2013).

Market Penetration Product Development

Market Development Diversification Existing Markets New Markets
Market Penetration Product Development
These concepts are evaluated through marketing strategies below:

Strong Vision Statement

Management finds the vision statement as a useful marketing tool. It is strategically placed in each branch for customers' attention.

' We are a team driven to deliver the utmost in customer services. We are synonymous with innovation, building excellence and superior financial performance and creating role models for the society'

Knowing Customers' Needs

The Bank seeks to satisfy customers' needs, wants and demands through excellent service and delivering innovative products in an efficient cost saving manner thereby attracting low yielding deposits. C:

UsersabisolaDesktoppgtlogo. jpgIts value proposition is on more benefits to customers. For instance in the past, savings account customer needed to

bring passbook into the Bank for withdrawals. GTBank came up with the idea of allowing customers withdrawal with slips at no cost. Customers found this convenient. This was achieved through planning and market research of customers' expectations. (Appendix 2). GTBank meets those customer needs for safety (to save funds for future purpose), social (to be associated with a popular brand) and esteem (for class) as recognized in Abrahams Maslow Hierarchy of needs.

Supporting Social Causes

They promote: Rewarding crea8 E-savers account holders to promote savings culture
They sponsor events beneficial to the society: Community development-(Adopt a school initiative). Health- (autism, orphanages, children hospitals), partners with red-cross. Sports-football, indoor-games. Arts. (Partnering with Selfridge & Tate).

Segmentation and Target Marketing

In achieving its retail vision, the Bank's branches are segmented into geographic, demographic and psychographic lines. Its branches cuts across every state and some countries offering varied products to suite age, income type and social status through online banking, cards and personalized banking services. C: UsersabisolaDesktopgtlogo. jpg

Fig2a

Fig2b

C: UsersabisolaDesktopgtlogo. jpgGTBank also segments along markets as above and product lines as below for easy grouping such that the needs of each group are directly met.

Fig2c

SWOT

The Bank consistently reviews its internal strength and weakness and assesses the external opportunities and threats. Appendix 3

Brand Differentiation

Apart from service, innovation and brand, GTBank differentiates itself on ethics stance within a corrupt society. For instance, most big Banks have huge government patronage sometimes acquired through corrupt means because of the volume involved. Without much government patronage the bank consistently remains one of the top 5 Banks in Nigeria earning respect for non-compromise. It pioneered social banking having the largest social network for an African financial institution where it interacts for feedback. (www. facebook. com/gtbank). C: UsersabisolaDesktopgtbank-facebook-1-million-fans-e1361262207471. png

Marketing Environment of GTBank.

These are factors and forces that affect the Bank's ability to build and maintain successful relationships with customers categorized into:

Micro-Environment

The Bank

This involves management and every department in the Bank. Everyone must work together to achieve corporate goal of providing superior service for superior value. Each department has direct relationships with marketing decisions. Finance for budget planning and management, support for image management, operations to deliver the right process and service to customers, Human Resources for right recruitment and management for overall strategy.

Competitors

The Banking sector has witnessed increased competition especially with recent consolidation and improved technology. More Banks now have larger branch networks, deposits and products. Its major competitors include Access, Zenith, UBA, Diamond, Ecobank and First Bank. Despite stiff competition GTBank enjoys brand advantage.

Suppliers

They must offer cost reasonability and add value to delivery. Its suppliers include Network and Internet service providers who ensure that operating and maintenance requirements are met. C: UsersabisolaDesktopgtlogo.jpg
Trade suppliers: for supplies of stationary, furniture and fittings, diesel, water etc to help keep the functionality of the bank.

Marketing Intermediaries

These are those that promotes Banks image. Good relationship must always be maintained. They include: Government Institutions like Central Bank of Nigeria for Settlement of deals with competitors and as lender of last resort; FIRS for tax purpose and other agencies involved in regulation. Market Research Agencies: These include market research, advert firms, media (TV, radio, magazines, and newspaper) Other Banks and Financial Institutions: For clearing, settlement; insurance claims etc. Correspondence Banks: Foreign Financial service transactions. Consulting Service/ Rating agencies: Providing ratings and analysis for Banks e. g. Fitch, S&P

Customers

These are basically all customers of the Bank. They must be strategically targeted as each of them has peculiar needs. If their expectations are met, they would influence others through the following buyers' behavior model below: C: UsersabisolaDesktopconsumerbuyingbehaviour. pngC: UsersabisolaDesktopgtlogo. jpgThe Bank treats its customers as ' King' knowing that if a customer leaves, it would require at least ten times effort to get them back especially with reduction in information asymmetry and low switching cost to competitors.

General Public

These are groups who may or may not hold direct relationships with the Bank but whose interest can impart on the Banks ability to meet its goals. They include pressure groups, media groups, activists, former staffs etc. Any change in their attitude, whether positive or negative, can affect Banks

reputation and performance. The general public is often regarded as a company's customer base and should be closely monitored.

Macro- Environment

Political

Nigeria has witnessed stable political reform since democracy. Though recent unrest caused by Boko Haram and the resurgence of kidnapping gives all security concerns, continued stability and progress with respect to governance, transparency and market reforms are vital to the success of banking in Nigeria. Every political activity must be monitored as unrest can affect the security of customers and the banks existence. For example in the northern part of the country, banking activities has been low. Various government laws and regulations must be known, rightly interpreted for competitive gain. Monitoring international events and pronouncements where the Bank has interest is important. The capability of the Bank to adapt to laws, regulations, and technical changes, are critical to survival and prosperity. Miles, R. and Snow, C. (1978)

Economic and Social

The service sector which Banking belongs contributes at least 31% to GDP in Nigeria. Though oil revenues are vital for Government finances, it is not seen as the engine to future banking success in Nigeria. Rather, the continued growth of the low and middle class through lending, mortgage access, credit cards and long term savings products will promote success. C:

UsersabisolaDesktopgtlogo. jpgThe middle class growth in major cities has seen banking becoming more accessible to ordinary people with

opportunities to capture unbanked population. The rate of unemployment, inflation and foreign exchange involves marketing decisions. These indices offer Banks the opportunity to adopt right strategy in capturing markets. Right product, pricing and timely information makes a difference.

Technological

GTBank offers call center services something common to developed markets. Its ATMs are one of the most reliable. The embrace of internet banking and increased availability of internet and phones in households have helped eased queues and made online and mobile banking option preferable amongst elite. Hoffman and Novak (1996) suggested that the traditional one-to-many model of communication now replaced by many-to-many communication model has aided wider customer reach. The purchase of superdome HP server by the bank which can process at least 10million customers' account is a proactive measure. The Bank must continuously keep abreast of new technological developments and customers' protection of internet based products.

Environment

The country has over 150 million people with different ethnic, social and religious beliefs. They cut across age, location and occupation. Right marketing strategies targeted at different audience is needed such that strong cultural values and beliefs which are synonymous to some demography's are not lost during marketing promotions. Nigeria is blessed with natural resources but has bad infrastructure. Since Banks have to provide basic infrastructure from alternative power to water and security, the

right harnessing is necessary to avert any environmental damage and/or risk. For instance, if the smoke from generating sets is not monitored may affect the Banks image negatively. C: UsersabisolaDesktopgtlogo. jpg

Marketing Mix Factors that have contributed to Superior Performance in GTBank

The marketing mix refers to the set of choices made to influence customers' responses. Planning the marketing mix is essential for superior performance.

This is considered under the 7P's:

Product

Products offered by GTBank are customer centered. Though most banks products are similar in characteristics, adequate research and innovation in ensuring that its products are promoted differently, works well, and is easily accessible gives it preferred advantage when compared to those of competitors. Using the Bostons Box Model approach as adopted from Kotler, et al. (2013), The Bank should invest in cards related product and should stop the slip free product. Current, loan and savings accounts falling under cash cows generates the needed cash.

High

StarCard accounts

?

Slip free

Market Growth Rate

Low

NairaNMCash CowCurrent accountLoans, savings productsDog

HighLow

Some of the Banks products include:

Current account: can be accessed from all branches across the country
 Savings account: Have lots of convenient features and banking channels to transact through. Dom account- convenient for transferring and keeping foreign exchange. C: UsersabisolaDesktopgtlogo. jpg
 Smart Kids Save (SKS)- Helping children learn the value of money management at an early age. Fixed deposit- for safety, Flexibility, Liquidity and Returns. Loans- GT Auto, project financing etc. All products offered are designed from customers' need perspective using the 2 way stretch product line decision.
 LowLowHighPresent ProductsNew Products

Quality

Price

High

Two-way Stretch

New ProductsProducts are segmented and targeted along generation. For example the senior class accounts, GTBank world master card and Platinum cards account are targeted to those set of people considered as baby boomers (rich and older); GTBank naira master cards, the E-account for salary earners are mainly for people within generation X and Y and GTBank

creasavers and SKS accounts for echo boomers (teens and kids) . See fig. 2a/b/c for other segmentation.

Price

Service pricing follows the principle and practices of pricing of goods. Pricing takes into consideration -demand fluctuations, product life cycle (for instance maximum benefit can be gained if a product is newly introduced and in high demand), value addition, quality indication within increasing competition.

According to Gitlow, H, price not only influences the market position but also affects customers' perception. C: UsersabisolaDesktopgtlogo. jpgGTBank

serves both the low and high end customer through different product pricing

offer. The Bank uses the following pricing models -cost, competitive and

value based pricing. Cost based because after establishing all the cost

incurred in providing a service and bringing about a product, a premium is

added to derive price e. g. price for cheque booklet. Pricing is also done in

correlation with competition. Comparing its cost to income ratio amongst

competitors is adjudged most efficient as at June 2012. Cost to income

ratiosAccessDiamondFBNZenithUBA

GTBank

%

59. 865. 358. 356. 1256. 65

41

Value based from the customers' perceived value derivable from the

products. For instance, the GTMax requires a customer to leave certain

amount of money daily in its accounts to enjoy interest above normal thresholds and a possible lower cost on turnover giving a more for more value proposition. Some pricing is regulated by the central bank for economic stability.

Place

GTBank has branches, POS and ATMs spread throughout Nigeria. They are strategically placed and clustered around industrial, market and residential areas for convenience. Usage of its ATMs both by internal and external customers is very high because they find it reliable. Its Branches are designed to accommodate parking spaces. Its online Banking facility can be accessed from anywhere in the world with internet connection making Banking easily done from comfort of homes. E-banking Branches are being expanded as technology evolves. C: UsersabisolaDesktopgtlogo. jpg

Promotion

These include activities like advertising, branding, sponsorship, personal and cross selling, use of social media, websites etc. for publicity and enhance brand distinctiveness and visibility. Its promotion has been focused and direct. Launching of the orange rules campaign saw deposits grow by 50%. An average of 25, 000 accounts were being opened per week at a point in time (Aderinokun, 2010). From the half year result in 2012, GTB saw its deposits growth up 12% just behind FBN. The second highest amongst its immediate competitors: Deposit GrowthAccessEcobankFBNZenithUBA

GTBank

%

5. 352. 1123. 38. 76. 37

12. 74

GTbank adopts the push and pull promotional strategy. Push strategy because it entices customers through product promotions and incentives. There are several on-going promotions involving distribution of gifts when certain product criterion is met. Pull strategy involves the directing of its marketing activities towards the final consumer. For example cross selling other beneficial product to a customer so as to increase loyalty. Promoting sporting and educational activities and partnering with big organizations are all ways the Bank seeks to remain visible e. g partnering with MTN and Tate. Listening to customers and using effective marketing communication sells a product.

People

People are referred to as the ' best' asset an organization owns. This is because employees define the Bank as customers see and interact with them. Customers make remark on service delivery based on their experience with staff. Most customer experience from feedback has been good with room for improvement. C: UsersabisolaDesktopgtlogo. jpgStaff training is compulsory. In 2011 alone about N800m (\$5m) was spent on training and development. Recruitment is based on merit and the Bank until recently does not recruit middle level managers and above from outside because they believe in growing their workforce from trainee level after undergoing

service orientation. The bank boasts of a stable workforce with low staff turnover in an industry characterized with high turnover. Mentoring of younger staff by senior officers is encouraged. You start enjoying a good service experience once you step into any branch of the bank from the gateman.

Process

Retail banking is process driven. GTBank strives to shorten processes by eliminating non-value adding steps. There are various self-service channels available to fast track processes. The same process standard is provided in all the Banks branches. All processes are defined by clear written rules owned by desk officers. This helps to avoid confusion and promote consistency in service such that everyone knows what and how to do. A Total Quality Management group exists to monitor service quality. Due process is not compromised in GTBank and adherent to this was a saving grace during financial crisis. The network system was upgraded for faster transaction processing. Efficient network is essential to drive process because the higher the degree of strategic fit between operations and marketing, the higher will be the performance of the bank. (Roth and Van der Velde [13, p. 325])C:

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Physical Evidence

Since service is intangible in nature most providers incorporate tangible elements into their offering to enhance customer experience. For instance, the Bank incorporates good interior design to complement its aesthetic

architectural buildings for overall ambience which is standard in every branch. There's a dress culture that matches the office ambience.

Factors in Marketing Mix crucial to the Long-Term Success of the Bank are:

People: The Bank is defined by the service offered by its employees. Right service offered brings about customer satisfaction a CSF. Promotion: Brings about differentiation in the face of stiff competition. Remaining visible to customers is critical for survival. Process: Faster processing of transactions enhances customer delight and critical for long term relationship. Physical evidence: Beautiful structures and neat ambience differentiates a brand. Products: Churning out innovative products that continuously meets customers need increases loyalty and income. Place: Location convenience, parking, website access etc. All CSF for customers' patronage. Price: This relates to income all others to cost. Income brings about success.

Conclusion

GTBank brand sustainability rests on continuous vision of management, relationship management, and exceeding customers' expectations through effective marketing.

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Appendix 1

Awards won

1996, 2000, 2003, 2004, 2005, 2006 and 2008 Nigerian Stock Exchange Presidents Merit Award. 2006 and 2007, awarded by PricewaterhouseCoopers as the most respected company in Nigeria. Out of 108 Nigerian companies, GTB Plc was awarded in 2006, through the newspaper Vanguard, as The Most Customer Friendly Bank in Nigeria and Best Bank for Brand Development. 2005 Africa's top 23 (awarded by Africa Business Magazine)2005 Bank of the year (awarded by The Banker magazine)2005 African Bank of the year (awarded by African Investor magazine)2005 Bank of the year (awarded by This Day newspaper)2006 Banker of the year(awarded by This Day newspaper)2007 Brand of the year (awarded by This Day newspaper)2007 Deal of the year (awarded by The Banker magazine)2007 1st Runner up in the Customer Service Excellence Award2007 Best bank in mobile banking (awarded by Nigeria Telecom)2007 Brand of the year (awarded by Lagos State Enterprises)2007 Grand Prix award for reputation and credibility (by Fortune & Class Enterprise)2007 Corporate best practice award (by Fortune & Class Enterprise)2007 Best

work place award (by Fortune & Class Enterprise)2008 Transaction of the year award (by This Day newspaper)2008 Deal of the year for Nigeria (awarded by The banker: Financial Times)2008 Best Bank in Mobile Banking awarded by Nigeria Telecom)2008 Most Customer Focused Bank: Retail (by KPMG)2008 Runner up, Most Customer Focused Bank: Corporate by KPMG2009 CEO of the Year (awarded by This Day newspaper)2009 Most IT Driven bank (awarded by National Daily newspaper)2009 CEO of the Year (awarded by Global Excellence Recognition Awards)2009 Most Customer Focused Bank: Retail (by KPMG)2009 Most Customer Focused Bank: Corporate 2nd Place (by KPMG)2009 Best Bank in Nigeria (awarded by Euromoney magazine)2010 Most customer focused bank in Nigeria (awarded by KPMG)2010 Best Bank in Nigeria (awarded by Euromoney magazine)2010 Best Bank in Nigeria(awarded by The Banker magazine)2011 Best Bank in Nigeria (awarded by The Banker magazine)2011 Best Bank in Nigeria (awarded by EMEA Finance magazine)2011 Best Bank in CSR: Health Management in Nigeria2011 Most Socially Responsible Company in Nigeria2011 Best Financial Institution Bond in Nigeria (awarded by EMEA Finance magazine)2011 Young Global Champions Award (by Thisday Nigeria)2011 Best Bank in Nigeria (awarded by Euromoney magazine)2012 Best Bank in Nigeria (awarded by Euromoney magazine)2012 African Banker of the Year - Segun Agbaje2012 Most Socially Responsible Company in Nigeria[citation needed]

Appendix 2

GTBanks research on customers' expectations.

Need

Wants

Demand

To save with a trusted, respected and reliable bank
To belong-Social Needs
To be associated with Class i. e. Esteem Needs
Efficient Service
Friendly Banking Environment. Access to loans
Respect. Convenience
Feedback e. g. bank statement, transaction notification service (TNS)
Customised account. Value for Money: No COT, and high interest rate