

The co-operative bank imc

Literature, Russian Literature



Executive Summary The Co-operative Bank Is New Zealand's only bank that is owned by its customers. Formerly simply a Building Society, the bank is now looking to grow its customer base as a fully registered bank through a variety of avenues including appealing to the tertiary student market. This report focuses on the integrated marketing communications needed for accurately targeting the tertiary market. Firstly, it outlines a situation analysis including a PEST analysis, a competitor analysis, and the target market and the positioning of the Co-operative Bank with regards to its competitors.

The communication strategy looks closely into the bank's current communications offerings. This analysis focuses on how the company's message combines with its with the imagery used in its advertising. The media strategy outlines how the company has used awareness, universal and emotion strategies in its communications to target the tertiary market. Objectives are then outlined to provide scope for the bank's future MIMIC activities. Finally, the report provides recommendations (including personal selling, promotion and public relations) and improvements to help the bank reach its objectives in the next 12 months.

As technology is always changing it is important that banks are continuing to update and make changes to their digital platforms to continue to be competitive in the market. 1. 2. 4 Environment-Environmental factors do not have a massive impact over the Co-operative bank forever climate change have some effect on the success of New Zealand businesses abilities to save and service loans. Particularly as New Zealand is an agricultural based society and climate change disrupts farming processes. 2 Competitor

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Analysis In the tertiary banking sector there are 5 main players that the Bank must compete with.

Each has their own drawer however the reality is the base package each bank offers is very similar and in terms of costs, the banks offer students free or relatively free banking - See Appendix 1. On top of this each bank differentiates itself by offering extra services that are enticing to the student lifestyle.

- 1 ASP ASP, as well as a relatively free base package, offers students free fries at McDonald's every time they use their card. This "gimmick" is attractive to students as it means offer students a large overdraft and a txt when funds are running low.
2. ANZA Ann.'s tertiary package is perhaps the least "gimmicky" of the big banks. They offer accessible branches and Tam's on campus as they are aware a student is often time poor.
- 3 BENZ Ban's Younger is known to be extremely innovative and in tune with a tertiary audience's preference for good, simple web design. Their point of difference is an industry leading web application that makes handling finances, something that student have great difficulty doing, every simple.
- 4 Westward Wastepaper's Student Pace, historically, has used gimmicks such as a free \$25 upon sign up and a free pizza to engage the tertiary audience to bank with them.

In the long term they also offer a "save and win" scheme that entices students to bank with them to win money on the money they choose to save.

2. 5 Kickback Kickback has perhaps the most comprehensive banking package. Their extra services include software to help manage your money, no commission currency conversion, free use of ANZA Tams on campus and

free txt banking. This shows they are very much in tune with the requirements of being a student in New Zealand which supports Kickbacks main draw card of the bank being a New Zealand owned bank. 2. Co-operative Bank The Co-operative Banks student package is by contrast the least comprehensive. They offer a top interest rate of 5% however their main drawer, even for students, is still the fact that they are not just New Zealand owned like Kickback but owned by the New Slanderer that bank with them. Growth and Maturity of the Industry New Zealand banks have enjoyed strong growth in lending since the 2008 global downturn. Profits however, are down due to " increasing regulatory pressures and strong competition in the lending market" (KEMP, 2013). Operational Revenue and Profitability At the end of 2013 financial year, the bank recorded profits before rebate at \$mm (The Co-operative Bank, 2013). \$1 m of this was distributed to customers. As at 31st December 2013 operating revenue reached \$4. Mm (The Co-operative Bank, 2013). 5 Strategic Goals The Co-operative Bank has an overall strategic focus on " achieving long-term refillable growth, based on co-operative principles (The Co-operative Bank, 2013). 6 Target Marketing The Co-operative Bank targets those in the tertiary segment who are motivated by " good values".

These students, generally 18-25, will be those who are wary of the other big banks and the values they stand for. They will consist of students who are above the other banks " gimmicks" and would rather see their money buying some " goodness" rather than get free fries, for example, from a controversial multinational. They will have a solid " student" lifestyle with a low income, low outgoings and will nearly not have any dependents. 7

Market Positioning competitors try to outdo each other with clever marketing and competitive rates they are, compared to other industries, barely distinguishable from each other.

As shown in Figure 1, the Co-operative Bank occupies a position that is relatively separated from its competitors in terms of perceived cost and on a values based analysis. Figure 1 - Positioning of New Zealand Banks This position clearly demonstrates to their target audience that they are set apart from their competitors as an alternative to banking in system where banks are driven y profits for their (often overseas) investors rather than by the values of and profits for their New Zealand owners/customers.

Section 2 8 Communication Strategy Since the banks rebind in 2012 the bank has focused its communications on improving low awareness. It is spearheaded by the message " driven by your prosperity, not our profit"; this focus will help the bank achieve its goal to double its customers within 5 years (Stopper's, 2014). The key message the bank wants to convey to its target audience is that it is a values-driven bank that plays fair in a banking landscape that is thought of as the opposite.

They use a brand image strategy to convey that although they are able to take calculated risks for the benefit of their customer-owners, they want their audience to know they want their activities to be transparent and " above the line". The main symbol used by the bank is the infinity sign that consists of the 2 g's in Co-operative Bank, known as the " prosperity loop"- See figure 2. The loop is conveniently extracted from the banks name and

symbolizes its goal of creating prosperity, not profit, between the bank and its customer-owners with the benefits flowing between the two entities.

This symbol associates potential customers with the brand and its objectives of "being about mutual benefit and true sustainability. (The Co-operative Bank, 2014, p. 2) Figure 2- The Prosperity Loop The loop is replicated through all forms of media advertising further insisting to its customers an ongoing sense of mutuality and support. In print media, the loop headline type treatment overlays both the heads of customers or their children and links them to the bank's message, connecting a potential customer's emotion to the advertisement.

The loop could so be seen to symbolize a thought bubble, further personifying the bank's message. See figure 3 Figure 3- Print Advertisement This advertisement takes cues from thought leadership marketing as it shows a young, seemingly wealthy man thinking positively about the bank's differentiation strategy. As this man represents a lifestyle students aspire to participate in and the target market can now link him to the Co-operative bank. In theory, students will be more likely to think positively about, and possibly join the bank.

This links back to the bank's goal of doubling its customer base in five years and helps the bank on their way to achieve it. Another brand association used is the company's color palette. The palette is distinctively fresh and focuses on a bright green color - see figure 4. This associates the brand with being fresh and distinctive as well as with growth. Natural context. This is important to the brand's image as it reflects on New Slanderer emotions as a

" clean, green" nation and may help the target market to associate with the bank as an extension of their patriotism.

Also the mix of the color green as a symbol of natural growth and money is a reflection of the banks views on sustainable banking. Further, it associates this idea to the Co-operative Banks brand ND reinforces to tertiary students that their principles will bring " growth" to their " money' in a sustainable way. This is particularly relevant to the target market who currently have low incomes but potential to growth their worth in the next few years. For them it means the bank is on their side and wants to work with them to grow their money in a sustainable way.

Figure 4- Color Palette 9 Media Strategy and Appropriation The company, carrying out its awareness strategy for growth, used a broad mix of media mediums including a focus on print but also consisting of a television spot, audio advertising, and limited social media (Backbone, Linked in and Youth) to target a wide range of possible customers (Stopper's, 2014). The campaign is centered on presenting the banks differentiation from other banks as a New Zealand owned bank and the fact it is 100% owned by its customers.

Although there was no media directly targeting tertiary students, the Co-operative Banks mix of mediums will have some effect on this target market. Using a universal strategy, as in this case, the bank reaches a large amount of potential customers. It also provides the bank with economies of scale. As a small bank, although not ideal, this strategy is relatively appropriate as, there is limited budget for large scale advertising. The bank has opted to pull

resources together rather than loose budget to smaller and perhaps less successful strategies.

This is at the cost of targeting specific demographics, such as the tertiary target market, with media strategies tailored to their particular motivations but allows the bank to target all New Zealanders who feel strongly about banking with a New Zealand bank that shares profits with its customers. The content of the advertising draws on emotional strategy and uses a lot of patriotic imagery such as beach scenes, trout fishing, and office and cafe culture.

These are scenes of New Zealand culture that rouse patriotism in most New Zealanders and this helps the bank not only reach people who will be interested in how the bank functions due to their patriotism but inform others of the benefits of joining the bank. This is appropriate for the bank as it is harnessing current events (such as the class action against fees and the 2008 global downturn that have caused a cultural shift in New Zealand society in that people are more skeptical of banks) and building on the emotions they feel.

It is therefore prudent for the bank to target the majority of society as the majority of society will be motivated by this emotion to join the bank.

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Objectives

1. Increase top-of-mind awareness level of the Co-operative bank within the tertiary market by 50% within the next 12 months
2. Increase knowledge within the tertiary market about the benefit of "owning" the bank they are banking with by 50% within the next 12 months.

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Improvements

The weakness of the Bank's current MIMIC plan lies in the fact

that it has not tailored the plan to target specific groups such as the tertiary market. This suggests that the relationship between The Co-operative Bank and its tertiary customers is not as connected as it could be. To improve this, the bank does not necessarily have to change its message because as outlined prior, the patriotic and anti-status quo message used by its current offering will appeal to this market and also make the most of the banks industry-relative limited budget.

The bank instead should work on making these messages more accessible to the tertiary market in order to improve the communication lines of the banks already strong message. Relationship Reach Include tertiary market specific imagery in print advertising There is a lack of tertiary specific imagery used by creative in the print media. There are a variety of children and young professionals and although some students may see these people as aspirations, they may also feel excluded and therefore disconnected from the banks message as the images are unrepeatable to them at their current age.

Create an active twitter account that backs up the banks brand image but also feels like it is maintained by a tertiary student. It will post breaking banking news and intelligently debate key players in the banking industry. Create a presence on campus by locating brochures at campus studentfinanceoffices Make brochures available that provides step by step financial planning for students that is branded with Co-operative bank. The brochures will also provide information about the Co- operatives services.

The content will be so effective that campus financial planners will recommend them to students. This will increase student's knowledge about the bank. Change billboards near tertiary institutions to have very tertiary student age appropriate creative. Add a scene to the television spot that is directly relatable to by majority of tertiary students. The advert currently has scenes that will appeal to only a select part of the target market I. E office employees and trout fishers.

Adding a tertiary related scene with strong tertiary markers will strengthen the banks relationship with students as they will feel included in their advertising. Promote banks message at campus fairs. Sponsor tertiary events 12 Promotional Mix Recommendations 12. 1 Public Relations and its community based values. Tertiary students will be selected to spend a day in the life of community organizations with a particular emphasis on organizations that purport the interests of tertiary aged students such as canteen and be followed by a documentary team..

The outcome will be a documentary series posted on Community Loop's Youth. These videos will expect to be picked up by local media and be interesting enough for students to want to share on Youth. 12. 2 Personal Selling At campus events, the bank would loan its employees to event to handle the financial aspect of the event and at the same time inform students of the banks offerings- supporting and promoting the banks message that it works within the community in a positive way.

For example, at the " Nun Games", Co-operative Bank employees in " community loop" uniform will handle ticket processing at the gate and have

the " community loop" marquee providing shelter for students. Employees will hold conversations with students about the banks offerings and message. Such a presence evokes brand awareness within in the student community and at the same time, shows off the banks tertiary product. 12. 3 Sales Promotion The bank stands out among other banks as it does not offer students " gimmicky' promotions with its package - See appendix 1 .

There is an opportunity here for the Ann. To offer a promotion to students that does not seem as lightweight and also gain attention of the students who are likely to switch to the bank because of its message. The promotion will support the banks community centered message and feature a system wherein if you sign up you get a free stationary pack (bio-degradable and from sustainable sources) and a child from a low decide school in the local area also gets a pack.

The stationary will feature the banks " Community Loop" logo. 13 Budget 13. 1 Objective-and-Task Method The bank would use an objective and task method to specify the role advertising will lay for the Co-operative brand and, the budget has been set accordingly. This method has been chosen as it allows the bank to focus on the objectives based on the needs of the bank and therefore reinforce the banks strategy rather than the needs of other factors such as what competitors are doing or how much they can afford.