

Marketing at vanguard

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



Excellent use of benchmarking ; Centralized customer relationship management ; use Internet technology In transactions Weaknesses ; Immature level of development of marketing efforts ; No clear strategy or roadman of dealing with increased competition Opportunities ; Improve crossover rates ; Overseas markets Threats ; Unusual decline in stock market indexes ; High rollovers ; Increasing deregulation in the financial services industry Vanguard prides itself on providing low cost and high value to the customer and it is Vanguard's core competency. However, Vanguard's world changed when in mid-2003, Vanguard's niche market was invaded by commercial banks, investment banks and insurance companies due to deregulation in the financial services industry.

Vanguard took advantage of the Internet technology for customer transactions and other innovations to offer no load funds to the investors. Vanguard successfully employed Six Sigma methodologies in order to continue to offer high value at the lowest cost to the customer. Some of the threats that could endanger Vanguard's prosperity or survival in the future include excessive customer segmentation where the varied offerings available confuse the customer and the investment brackets are not particularly transparent. Vanguard could encounter a significantly challenging situation if it is inadequately prepared to compete with the influx of firms in the industry.

At the present time, Vanguard does not have a clear marketing strategy that fits in well with overall vision of the company. For example, Vanguard is uncertain where sales and marketing forts fit in the corporate dashboard. The dashboard is a communications tool that offers an overall view of the

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condition and performance of the company in key indicators or drivers for success. Management was constantly provided with the dashboard and updates at board meetings. Thus, Vanguard efficiently used this tool to organize its marketing and sales efforts in support of the overall strategic objectives. Vanguard has to take proactive steps in order to guard against unusual declines in stock market indexes.

In addition to insulating their margins and maintain their arrest presence during times of economic downturn, they have to ensure that continue to deliver superior customer service than their competitors. For example, client satisfaction is above expectation during boom years. However, customer satisfaction is intertwined with market performance. Vanguard should continue to educate the customer of staying the course and emphasizing the advantages of long- term investment strategies. Analysis route where it can provide a whole array of products and services to everyone similar to one-stop shopping rather than focusing of customer segmentation. There is a radioed identified in the SOOT analysis where offering the customer the lowest cost cannot successfully co-exist with high value at Vanguard.

Vanguard can only offer the customer with the low cost, as it is not expending many resources in its marketing efforts. Vanguard has the option of pursuing international expansion at this time. However, it has not developed a concrete strategy on how to compete in the United States in times of economic downturn as well as in face of increased competition. If Vanguard expands overseas, it is not expected to perform well as these competencies are absent in its overall strategy. How can Vanguard be

expected to compete in face of other challenges such as institutional and regulatory hurdles as well as smaller populations overseas? Marketing segmentation was a competency that has worked for Vanguard in the past.

However, customers may resent excessive categorization based on perceived investing habits or income extrapolations by Vanguard. The customers may view 'Vanguard' as a Big Brother who pries into his or her personal lifestyle by monitoring their investment trends and then tailoring an investment plan for them with those assumptions. If you examine the potential target market sizing, the United States presents a wide array of opportunities with its varied ethnic groups. Companies such as Midlife and Citibank have done well by tapping into those markets and creating an investment niche. Rather than market segmentation based on investment habits, age or income; it may be advantageous for Vanguard to pursue these markets after conducting market tests or investment studies.

Even if Vanguard decided to 'aggressively' target certain niche targets in its sales and arresting campaign, the potential dividends reaped from doing so are far expected to outweigh the costs as it currently spends about 20 cents out of every \$10, 000 invested to drum up new business which is well below industry norms. Certainly newspaper advertisements as those presented in Exhibits 7 and 8 in ethnic newspapers and print media should not become a financial setback to the company and eat up a significant portion of the sales and marketing budget. Vanguard has prided itself for innovation and dedication to continual improvement in the financial arena. Perhaps,

Vanguard can benefit from its sales and marketing efforts if it is dedicated to ensure development and maturity of the program.

One solution toward this goal is to brainstorm a clear vision and mission statement as to what the long-term aims and objectives of the sales and marketing program are and how will they complement the overall strategic objectives of the company as a whole, Recommendations The dashboard at Vanguard is a critical tool to evaluate and assess performance. Vanguard should move ahead and incorporate reliable sales and marketing growth ATA into the dashboard metrics in order to ensure that marketing is presented as an avenue to support the achievement of goals in the various businesses. Vanguard would greatly benefit from partnering with brokers in order to garner a better share of the clients' holdings from other financial institutions. It should consider investment in increased customer awareness and education in order to so.

In terms of advertising, Vanguard should institute a customer referral program that encourages existing customers to actively voice their loyalty and satisfaction with the service they have received to prospective clients. Tasteful and creative advertising and marketing efforts that reaffirm Vanguard's core beliefs of 'staying the course' and themes of long-term investment should be implemented. Prospective Vanguard customers are usually lured in by the highest money market account interest rates offered and not by fancy commercials or elaborate marketing efforts. Vanguard should not consider international expansion at this time as part of its growth strategy at this point in time. It should focus primarily on the United States

where even a single digit market share gain and translate into significant revenues.